

The Global Newspaper
Edited and Published
in Paris
Printed simultaneously in Paris,
London, Zurich, Hong Kong,
Singapore, The Hague, Marseille,
New York, Rome, Tokyo, Frankfurt.

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

No. 34,243

13/98

PARIS, SATURDAY-SUNDAY, APRIL 3-4, 1993

ESTABLISHED 1887

Page 3

Job Upturn Stalls in the United States

But Statistics for March Are a Boon to Clinton's Economy Stimulus Plan

By Lawrence Malkin
International Herald Tribune

NEW YORK — The U.S. economy failed to create any new jobs in March, and unemployment remained stuck at 7 percent, the government reported Friday. This confirmed that the pace of economic growth was softening, although economists were uncertain by how much.

The March figures were heavily distorted by the effects of severe late winter storms that helped cut 22,000 jobs from the work force last month after February's still unexplained addition of 367,000, which was confirmed by the Labor Department in Friday's announcement. Over the first three months of this year, the

Philip Morris cuts Marlboro prices and trims the stock market. Pages 9 and 10.

economy has created a total of around 450,000 new jobs, about half of them temporary or part-time, which would imply a growth rate of 2.5 or 3 percent a year. But analysts said they would have to wait for the April figures to get a better fix on whether this rate would hold into the spring.

"The momentum of growth in the economy has been decidedly slipping during the first quarter and there is a yellow flag of concern," said Allen Sinai of the Boston Company, adding that forthcoming figures on auto and Easter retail sales, industrial production and employment would indicate more clearly whether increased jobs and consumer confidence would resume driving the economy forward.

But Friday's bad news came as a boon to the Clinton administration's \$16 billion economic stimulus package, now caught in a partisan thicket of parliamentary maneuvering. Senate Majority Leader George Mitchell urged speedy passage of the package to help end "the current path of anemic and sporadic job creation." Treasury Secretary Lloyd Bentsen and Labor Secretary Robert B. Reich supported him in separate appeals.

President Bill Clinton approached reporters before the start of an environmental meeting in Portland, Oregon, to renew his criticism of Senate Republicans for blocking a vote on the jobs bill. Republicans are "keeping hundreds of thousands more Americans out of work," he said, "just to perpetuate political gridlock."

The figures for March left bond and currency markets confused, especially since they included a small upward wage blip that prompted nervous traders to forget about the signs of sluggishness and switch their focus to next week's inflation figures.

The bond market surged briefly, then was forced to offer slightly higher interest rates, with the benchmark 30-year bond yielding 7 percent by midmorning, the highest since mid-February's post-inauguration euphoria.

The dollar at first spiraled down to another historic low against the yen but rallied above 114 yen and 1.61 Deutsche marks when traders reassessed the statistics, noting especially that the strong February job figure had held and January was revised upward by 44,000 to 113,000 new jobs.

Asked what she thought the Federal Reserve Board would do now, Astrid Adolphson of MCM Moneywatch replied: "Nothing. What do you do about a report distorted by the weather? The Fed is afraid it will strengthen the argument of the Clinton administration for its stimulus program. The hand of the inflation hawk will also be strengthened by the increase in hourly wages."

Economists were less concerned than markets by a rise of five cents in the average earnings, to \$10.80 an hour. This is still only part of an annual gain of 2.4 percent, which lags

See JOBS, Page 10



Damply, Italians Take to the Streets and Strike for More Jobs

As a government and business corruption scandal widens, thousands of people in Rome demonstrated Friday in the rain to protest unemployment, which is at 9.5 percent. Postal workers and some other public employees struck all day while

trains, buses, ferries and planes stopped for four hours. The scandals are creating payment bottlenecks and a cash crunch. The effects of the scandals come as the country is trying to cope with a currency that hit new lows Friday. Pages 9 and 11.

Will Germans Patrol Bosnia's Skies? Well, Sort Of

By Marc Fisher
Washington Post Service

BERLIN — When the Security Council voted to enforce a flight-ban zone over Bosnia-Herzegovina, Germany was forced into a long-delayed decision: Will German airmen participate in a combat mission for the first time since World War II?

On Friday, Chancellor Helmut Kohl's cabinet, meeting in emergency session, answered the question, sort of. Yes, but no, let someone else decide.

The Bonn government announced its support for UN efforts in the former Yugoslavia and Mr. Kohl's party endorsed German participation in the NATO-led flight-ban operation. But the junior partner in Mr. Kohl's governing

coalition, the Free Democrats, broke with the chancellor and immediately sued the government, asking the country's highest court to settle the issue.

Former Chancellor Helmut Schmidt called the odd maneuver an "utter farce." The president of the Constitutional Court, Roman Herzog, wrote before the decision that such a scenario seemed "pathological."

A chuckling President Bill Clinton, asked about the solution when it was proposed last week, called it "remarkably deft." Few German commentators have been that polite; newspa-

pers of all political stripes describe the deal with words such as "April Fool's joke" and "embarrassment."

The crux of the confusion is a long-debated constitutional question: Germany's Basic Law specifically permits it to join international security alliances, but the law was nonetheless long interpreted as prohibiting military action outside NATO territory. Mr. Kohl last year reversed his longtime position and said there was no such prohibition. But both the Free Democrats and the opposition Social Democrats say that is not so.

The result has been a frustrating stalemate that all parties agree has damaged Germany's standing with Washington and other Western allies. Now, the government has sued itself for the first time ever, asking the Constitutional

Court to decide whether German airmen may remain aboard the unarmed AWACS radar planes that will search Bosnian airspace for signs of Serbian aggressors. The NATO operation is expected to begin within two weeks.

The court, which said it would consider the issue Monday, could halt or approve German participation, or it could pass the buck right back to Bonn. At least two members of the court have said this issue should be settled by politicians, not judges.

Breaking off his annual two-week weight-loss fast in Austria to hold the 30-minute cabinet session, Mr. Kohl, who weighs an estimated 290 pounds (130 kilograms), has become ever more impatient with the stalemate, arguing that Ger-

See GERMANS, Page 5

Death and Destruction Become Banalities for Kids

By Chuck Sudetic
New York Times Service

TUZLA, Bosnia and Herzegovina — Nermin Osmanovic has seen the death of his father, the wounding of his mother, the dispersal of his family and the destruction of his home, and he is not yet 9.

Now he shares a dank schoolhouse in this Bosnian government-controlled town with 60 other Muslim children evacuated from Srebrenica, a town in eastern Bosnia that is under siege by Serbian forces. As he waits for his mother to be released from a nearby hospital, he speaks of his experiences haltingly, but in a matter-of-fact way, with only a hint of sadness.

Indeed, his tale is not unusual in this war. A third of the 5,200 refugees evacuated here from Srebrenica are under age 5, local refugee-relief officials said. Two-thirds are under 14. All have suffered the horrors of the Bosnian war: the hunger, cold and disease, the overnight treks along snow-covered mountain paths, the flying shrapnel, the uncertainty.

Nermin said his father died early in the fighting in a futile effort to defend the area around his home village, Magasice, from the advancing Serbs.

"The Serbs burned the house," he said. "I don't know why they did. I had toys and books and everything there, but I couldn't bring anything because we left so quickly."

"Grandma was caught when the house burned," he continued. "We don't know what happened to her."

"When the house burned up, we went into the woods," Nermin said, referring to the remainder of his family — his mother, Nermin, and his two older brothers, Nезд and Nedvir. They trekked to Srebrenica.

For months, he said, the family survived in an abandoned apartment in Srebrenica. Nermin spoke of eating unspiced oars and chewing tree bark.

Finally the family joined a group of civilians trying to flee the siege, getting as far as Komjevo Polje, a valley northwest of Srebrenica, before being halted by Serbian troops. Nermin said there was a bright mo-

ment when the family was given supplies from an American aid drop into the valley.

"My mother got one of the aid packages before she was wounded," he said. "There was sugar, matches and coffee. I ate the chocolates. It would have been better if there had been more chocolates."

When a convoy of UN vehicles entered the valley March 12, thousands of trapped Muslim women, children and elderly people gathered around in hopes of gaining safe passage. Nermin said that was when Serbian gunners opened fire.

"When the shells fell there were wounded people all over and children without arms and legs," he said. "One man was hit in the head with shrapnel. It blew out his brains."

"My mother fell right next to me," he said. "I was crying. Two men carried my mother away. I went to Srebrenica the next day with a woman. We went at night and walked all the next day."

Nermin's mother was evacuated by the United Nations to the hospital in Tuzla. Two weeks ago, Nermin and the younger of his

two brothers found their way aboard a UN truck.

But he said he has not yet seen his mother. "I dream about having my mother here."

Dr. Scujica Ibricevic is a pediatrician who has worked with young refugees in Tuzla since last year.

"Children here had no worries before the war," she said. "Now all at once, shells are falling. People are being driven from their homes. There is great violence, and everything has been taken from them."

"Some children act helpless," she said. "Others withdraw completely into themselves."

Still other refugee children try to act like adults, she said. Such a case, apparently, is Edwin Ikanovic, a cigarette-smoking 12-year-old who is taking shelter in the schoolhouse.

"My dad?" said the boy. "He's dead. Bang! Bang! He had two holes in his back. I want to go to war to get even for my father, to

See CHILDREN, Page 5

West Eases Repayment Terms on Russian Debt

1993 Bill of \$15 Billion Is Slashed to \$2 Billion, With 6 Months' Grace

By Tom Redburn
International Herald Tribune

PARIS — In an important demonstration of support for President Boris Yeltsin on the eve of his summit meeting with President Bill Clinton, Western governments agreed Friday to relieve Russia of its obligations to repay most of its foreign debt this year.

The pact approved by the so-called Paris Club of Western creditor nations would stretch out the repayment of interest and principal on about \$80 billion in Russian debt to the West, of which about \$70 billion was inherited from the former Soviet Union.

"This is a very generous agreement," a Western diplomat said. "It is an important political gesture at a very critical time in Russian history."

According to officials involved in the negotiations, Russia would pay just \$1.95 billion of the \$15 billion it owed Western governments

On Page 3

Talks could backfire for Yeltsin, who is being attacked at home for selling out to the West. The Russians are wondering whatever happened to the \$24 billion in Western aid.

for 1993 and will receive a six-month breathing space before being required to hand over any cash. The \$33 billion in official debt to the West would be restructured so that Russia would have as much as 10 years to repay.

Western creditor governments, which work together under the umbrella of the informal Paris Club in negotiations with deeply indebted countries, issued a statement saying that they expected to see debt relief of "comparable terms" from commercial lenders.

The statement, released by the French Finance Ministry, said the governments were prepared to consider rescheduling of 1994 debt payments as well.

The debt restructuring agreement, however, is significant more for its potent political symbolism than for its substance. There was never any expectation that Moscow would be able to meet its former obligations, which total as much as \$55 billion in principal and interest to banks and governments. Russia, lacking any deep pockets of foreign reserves, exported less than \$40 billion in goods to the West last year and paid only about \$2 billion to foreign lenders.

Indeed, Moscow had stopped paying interest on nearly all of its Western debt in recent months and said the most it could possibly

See DEBT, Page 5

Sense of Urgency And Foreboding For Clinton at Summit Talks

By Thomas L. Friedman
New York Times Service

PORTLAND, Oregon — President Bill Clinton appears to be approaching the summit meeting with President Boris N. Yeltsin of Russia on Saturday with an odd mix of feelings: a sense of urgency, a sense of opportunity and an unspoken fear that no matter what help he offers Mr. Yeltsin, it won't make a difference.

The urgency derives from the president's stated conviction that if the United States does not do what it can to bolster Mr. Yeltsin, and Russian reform falters, Mr. Clinton's ability to slash his own military budget and get his own economic program through Congress will be imperiled.

In Mr. Clinton's view, say aides, the core of Russian-U.S. relations has been fundamentally altered — from a relationship primarily focused

NEWS ANALYSIS

on reducing the threat of mutual annihilation to one primarily focused on reducing the threat of mutually soaring budget deficits.

More than any other in history, this summit meeting is going to be about balance sheets not the balance of power. That is why for the first time ever, the American press will be accompanied to a summit meeting by his secretary of the Treasury.

The opportunity for Mr. Clinton is to use the summit meeting to finally establish himself as a credible statesman and leader of the Western alliance, something he has yet to do given his almost single-minded focus on domestic affairs.

The sense of foreboding around the White House springs from a realm of intelligence reports suggesting that even if Mr. Yeltsin survives the latest power struggle, and the betting in the administration is that he will, Russia will be in political turmoil for years to come. That will not only be a foreign affairs problem for Mr. Clinton, but also a domestic one.

Indeed, one cannot understand Mr. Clinton's feeling of urgency about aiding Russian reform without understanding that he sees this issue as an adjunct of his domestic agenda. At its crux, the White House logic goes like this: No Russian reform, no American defense cuts; no defense cuts, no chance for the Clinton administration to deliver on its pledge to halve the budget deficit in four years; no dealing with the deficit, no re-election.

The whole Clinton proposal to slash \$122 billion from the Defense Department budget by 1998 is built around the assumption that Russia will remain on a generally upward trend

See CLINTON, Page 5

Conservatives Start Feud Over Clinton's Goals

By John Mintz
Washington Post Service

WASHINGTON — It is said that the world's most bitter wars break out inside families, and that could explain the savagery of the dispute between two groups that have been allied so long they seem to share bloodlines: the U.S. Chamber of Commerce and the Republican Party.

Republican conservatives in Congress, embittered by President Bill Clinton's recent legislative victories and suspicious of those who compromise with him, have angrily turned on traditional business allies in the chamber for applauding parts of Mr. Clinton's economic and health-care programs.

The conservatives, including Representative Newt Gingrich, Republican of Georgia, and House Minority Leader Robert H. Michel, Republican of Illinois, have issued threats against the chamber unless it aggressively opposes Mr. Clinton. They have said that if the chamber does not change course, they will denounce it and demand resignations of top officials and lead a de facto strike of the 215,000-member group.

But the chamber is standing firm, accusing the conservatives of treating the chamber as if it were a vessel of the right. The chamber says most of its member businesses want the group to fight for change and end political gridlock.

The anger was obvious in recent meetings between the two sides, as well as in exchanges of letters, including one on March 25 to the chamber president, Richard L. Leshar, from Mr. Michel. Mr. Gingrich, Representative Henry J. Hyde, Republican of Illinois, and three

See RIGHT, Page 5



BEST OF ENEMIES — Prince Norodom Sihanouk, left, the Cambodian head of state, greeting Kluen Samphan, the nominal leader of the rebel Khmer Rouge, at Phnom Penh airport on Friday. Kluen Samphan, arriving from Beijing, warned the prince of a possible assassination plot.

Most Clocks in the U.S. Move Ahead an Hour

WASHINGTON (AP) — Most of America will lose some sleep this weekend.

Daylight-saving time returns to most of the nation at 2 A.M. local time on Sunday — although most people will set the clock ahead before retiring Saturday night. The hour of lost sleep will be returned Oct. 31.

General News

Senator David Durenberger is indicted on two federal charges over his expenses. Page 3.

South Korean unions agreed to cap wage increases. Page 13.

U.S. stock market bears cling to their pessimism. Pages 14-15.

Dow Jones	Down 68.63	3,370.81
Trib Index	Up 0.09%	98.56

The Dollar	New York, Fri. @ 4 P.M.	previous close
DM	1.5975	1.592
Pound	1.522	1.53
Yen	113.75	114.05
FF	5.43	5.4005

U.S. Bars 3 Airlines for Safety Reasons

By Martin Tolchin
New York Times Service

WASHINGTON — Officials of the Federal Aviation Administration have barred three small foreign airlines from American airports for safety reasons. The officials said this was the first time the government had excluded any foreign carrier for safety reasons.

The ban against Air Belize, Regal Air of Antigua and Central America Air Lines of Nicaragua, was imposed on each of them at various times during the last year but was not made public then.

It remains in effect, however, and was disclosed this week in interviews with officials of the aviation agency, who said that in declining to announce their action formally, they had sought to avoid embarrassing the nations where the three carriers are based.

The action resulted from the agency's crackdown on foreign airlines that fail to meet international safety standards. Prompted by the deadly 1990 crash of a Colombian jetliner that had run out of fuel while waiting to land at Kennedy International Airport, the FAA two years ago began an investigation of all 475 foreign carriers, based in 90 countries, that fly into the United States.

The aviation officials said that they had investigated 24 such airlines so far — one from each of 24 nations — and had found that 14 of them, all based in underdeveloped countries of the Caribbean, Africa and Central and South America, had significant safety problems in either pilot training or aircraft maintenance.

But except for the three carriers that have now been barred, the officials declined to identify the airlines, saying that to do so would compromise the cooperation that the aviation agency needs in working with them to bring their safety practices up to international standards.

Foreign airlines are required to meet not only the FAA's own safety standards but also the more relaxed standards of the International Civil Aviation Organization, an agency of the United Nations. The FAA considers the international rules sufficient to allow foreign carriers to fly into the United States.

But in the case of Air Belize, Regal Air and Central America Air Lines, the agency found not only that the carriers were failing to meet the international standards but also that they lacked sufficient governmental safety oversight.

NATO Moves Fast On Enforcement of Bosnia Flight Ban

By Alan Riding
New York Times Service

PARIS — Approving its first military operation outside Western Europe, NATO agreed Friday to enforce a United Nations flight ban over Bosnia-Herzegovina, with American, British, French and Dutch warplanes expected to be patrolling the area by mid-April.

The decision came just two days after the Security Council authorized NATO to shoot down aircraft and helicopters ignoring the "no-flight" order that it issued last October. Since then, the ban has reportedly been violated about 500 times, mainly by Serbian planes.

After a meeting at NATO's Brussels headquarters Friday, the alliance's secretary-general, Manfred Wörner, said the ambassadors of all 16 member countries had expressed "strong support" for the implementation of the Security Council's latest resolution.

He offered few details about the planned operation, but stressed that it signaled "a new role and a mission" for the North Atlantic Treaty Organization, which was founded in 1949 for the exclusive purpose of confronting the threat posed by the Soviet Union and its satellites.

"It is the first time this alliance will run a military operation in practice, not an exercise," said Mr. Wörner, a former German defense minister. "It is the first time this will take place 'out of area' and the first time in support of the United Nations."

While some of the specifics of the enforcement operation have still to be worked out, NATO officials said that 50 to 100 surveillance and strike aircraft would be used. They would only shoot down violators that refused orders to return to their bases or leave the zone, the officials said.

The Netherlands was the first NATO country to offer to send a squadron of 18 F-16 fighters. Britain is expected to send a squadron of Tornado F-3 fighters, while France will participate with Mirage-2000 interceptors. The United States is likely to deploy aircraft based in Europe as well as F-14 Tomcats and F/A-18 Hornets from the aircraft-carrier Theodore Roosevelt.

NATO said the operation would be coordinated by Lieutenant General Giuseppe Degli Innocenti, commander of NATO's 5th Allied Tactical Air Force, from an air base at Vicenza in northeastern Italy, within easy reach of Bosnia-Herzegovina. He is in turn answerable to the supreme allied commander in Europe, General John M. Shalikashvili, who is American.

Italy, Greece and Turkey are not expected to take part in the enforcement because they are thought to be too close, both geographically and politically, to the conflict in former Yugoslavia. German participation is still being decided.

NATO's decision to enforce the no-flight zone is seen as a prologue to a much larger peacekeeping operation, involving perhaps as many as 75,000 allied troops, if all parties to the Bosnian conflict eventually approve the peace plan drawn up by the United Nations and European Community mediators.

Bosnian Croats and Bosnian Muslims have already backed the plan, which would involve dividing the republic into ten semi-autonomous regions. The Bosnian Serb Parliament met Friday in the southeastern Bosnian town of Bijelina to determine its final response to the peace plan.

Food Shipment Is Blocked

Bosnian Serbs blocked another UN effort to deliver food and medicine to Srebrenica on Friday and evacuate Muslims from the eastern town, news agencies reported.

Serbs, who surrounded the town, refused to allow passage of both empty vehicles and others carrying aid supplies. Serbs said they objected to a UN evacuation plan designed to avoid the chaos that caused at least nine deaths earlier this week.

Ladislav Sachs, spokesman for the UN High Commissioner for Refugees in Belgrade, said the convoy would try to reach Srebrenica on Saturday.

In Oslo, Thorvald Stoltenberg, who resigned as foreign minister Friday to replace Cyrus Vance as UN envoy for Yugoslavia, said he backed the UN plan that divides Bosnia-Herzegovina into 10 autonomous provinces.

"The only alternative to the peace plan made by Vance and Lord Owen is violence," Mr. Stoltenberg said at a news conference. "I have no choice but to fully support them and the plan."

WORLD BRIEFS

North Korea Vows 'Strong' Reprisals

TOKYO (APF) — North Korea threatened "strong" reprisals Friday in the event it became the target of sanctions over its refusal to accept international inspections of sites where it is suspected that material for nuclear bombs is hidden.

"If the U.S. and other imperialist reactionaries try to encroach upon the sovereignty of our nation and destroy our socialist system with a 'blockade' and 'sanctions,'" said the official North Korean party newspaper Rodong Sinmun, "we would answer them with strong countermeasures, not only against the United States but also its followers."

The commentary followed a decision Thursday by the International Atomic Energy Agency in Vienna to take North Korea case to the UN Security Council for possible action.

EC Pact Foe to Head Paris Assembly

PARIS (Combined Dispatches) — Philippe Seguin, a leading Gaullist and campaigner against the Maastricht treaty on closer European union, was elected speaker of the new National Assembly on Friday.

Mr. Seguin, 49, from the Rally for the Republic party, was chosen in a second round of voting by 389 votes out of 479 cast among the 577 in the legislature. There were 54 blank, or null, ballots.

Most members of the new cabinet under Prime Minister Edouard Balladur favor greater European union through the treaty, and Mr. Seguin is not expected to have much influence over treaty, trade questions or foreign policy issues.

Miyazawa Pledges Political Reforms

TOKYO (Reuters) — An unusually forthright Prime Minister Kiichi Miyazawa vowed Friday to push through political reforms in Japan, calling a dirty money scandal the ruling party's "biggest crisis."

He told a rally attended by most of the 370 lawmakers in the Liberal Democratic Party that "our party is experiencing the biggest crisis since formation," and added that "the very existence of our party depends on whether we can clear up this issue."

In his speech, Mr. Miyazawa, who is also party president, put the blame for the Liberal Democrats' woes on the shoulders of Shin Kanemaru, the former party "kingmaker" who made him prime minister in 1991. Mr. Kanemaru, 78, fell from grace and retired from politics last year because of a funding scandal. This opened the way for a probe into his finances that culminated in March with his indictment for allegedly cheating the government out of 1.04 billion yen (\$9 million) in personal income tax.

U.K. Arrests French Trawler Captain

LONDON (AP) — British naval officers boarded a French trawler on Friday and ordered it to Guernsey, where the police promptly arrested the captain, authorities said.

The Ministry of Agriculture said the trawler Calypso was sought in connection with the abduction of three naval officers in disputed waters around the Channel Islands, which are at the center of a quarrel between French and British fishermen.

The British authorities are drawing a hard line with French fishermen, who demand the right to fish within 10 kilometers (6 miles) of Guernsey's coastline, as they say they have always done. "The rule of law must be upheld," said Agriculture Minister John Gummer.

New Libya Sanctions Held Unlikely

PARIS (Reuters) — The United Nations is unlikely to impose tougher sanctions against Libya despite Tripoli's continuing refusal to hand over two suspects wanted for the 1988 Lockerbie airline bombing in which 270 people died, Foreign Minister Alain Juppé said Friday.

The United States has considered restricting oil trade with Libya, but Mr. Juppé told reporters that reinforcement of sanctions was "not on the agenda for the moment." He spoke after talks here with the British foreign secretary, Douglas Hurd.

The United States, France and Britain have applied pressure on Libya to cooperate with investigations into two airline explosions, and are due to review sanctions this coming week in the UN Security Council.



Azerbaijani refugees scrambling to get on an army helicopter as they tried to flee the town of Kelbajar, under siege by Armenian forces.

Siege in Azerbaijan Imperils Truce Talks

By David Binder
New York Times Service

WASHINGTON — Fresh fighting between Azerbaijan and Armenia over ethnic enclaves is imperiling international negotiations on a cease-fire, according to Clinton administration officials.

The dispute began in 1988 when ethnic Armenians, complaining of persecution in the Azerbaijan enclave of Nagorno-Karabakh, asserted the right to secede and to join their territory to Armenia. Now the ethnic Armenians say they have created an independent republic in the territory.

After seven battles last year in which as many as 7,000 people were killed, Armenian forces gained control of virtually all of the enclave, with its population of about 200,000, and of a corridor linking it to Armenia.

The latest fighting is occurring in northwestern Azerbaijan, well outside Nagorno-Karabakh. Armenian forces have encircled the town of Kelbajar and cut the roads to the north and south, isolating some 60,000 people, government information officials in both Armenia and Azerbaijan say. But they tell different stories about the nature of the fighting and about whether Armenian troops are involved.

[Interfax news agency reported from Moscow that Armenian forces fought their way into Kelbajar on Friday in a battle to open up a new land corridor to Nagorno-Karabakh, according to an Agency France-Press dispatch. Quoting the Azerbaijani Defense Ministry in Baku, Interfax said street-to-street fighting was taking place in Kelbajar.

[Azerbaijan news agencies said President Elchibey had signed a decree imposing a state of emergency, Reuters reported from Moscow. He has ordered a curfew and banned political activity by parties and movements. The president imposed restrictions on entry, exit and travel within the country, as well as censorship on all media.]

"The fighting is extremely disruptive to the peace process," said an administration official concerned with the issue. He was referring to talks begun last year in Minsk, the Byelorussian capital, and continued in March in Rome and Geneva. In Rome, the Armenians and Azerbaijanis agreed on the terms for negotiating a cease-fire and on international monitors.

The origin and scale of the latest fighting has been impossible for the Clinton administration to gauge.

The Azerbaijani ambassador to Washington, Hafiz M. Pasayev, asserts that "Armenian regular forces" have invaded his country and joined up with forces crossing into Kelbajar from Nagorno-Karabakh.

The Armenian ambassador, Rouben Sogorian, denied in a telephone interview that his government's army had invaded Azerbaijan, asserting instead that only "self-defense forces of Nagorno-Karabakh" had attacked Kelbajar.

RELIGIOUS SERVICES

AMSTERDAM CROSSROADS INTERNATIONAL CHURCH Hollandsedijk 22, 1017 CA Amsterdam Tel: 020-634-1199	BERLIN INTERNATIONAL BAPTIST CHURCH Berlin, Friedrichstr. 13, 1000 Berlin 41 Tel: 030-201-1051	HOLLAND TRINITY BAPTIST S.S. 630, Worship 10:30 nursery, warm fellowship, Meets at Elovencomplex, 54 in Weesperboer, Tel: 071-751-7024	ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST
FRANCH RIVIERA CORNERSTONE CHRISTIAN FELLOWSHIP w/ship at Hotel Mediterranée, Sophia Antipolis, 12500 Sophia Antipolis, France Sunday school, Tel: 06-83-54-54	BONN/KÖLN THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinstraße 9, Köln Worship 12:00 p.m., Calvin House, Pastor, Tel: 02223-47021	KRAKOW INTERNATIONAL BAPTIST FELLOWSHIP ul. Wyzwolenia 4, First Sunday each month, 8:00 a.m., Guest Book, coordinator, Tel: 33 23 05 + 85 48 32	BERLIN AMERICAN CHURCH IN BERLIN, cor. of City Alley & Potsdamer Str., S.S. 930, 930 Worship 11 a.m., Tel: 030-8130221
FRANKFURT CHRIST THE KING (Episcopal/Anglican) Soborniy-Franchise, 22, 112-3, Wied-Allen Sun, Holy Communion 9 & 11 a.m., Sunday School and Nursery 10:45 a.m.	BREMEN INTERNATIONAL BAPTIST CHURCH (English language) meets at Evangelisch-Freikirchliche Kirchengemeinde, Hollenhorststrasse Hermann-Böse-Stra. (around the corner from the Bahnhof) Sunday worship, 12:00, Ernest D. Walker, pastor, Tel: 04791-12877	MADRID EMANUEL BAPTIST Meeting, Hernandez de Tejada, 4, English Services, 11 a.m., 7 p.m., Tel: 407-4547 or 505-5077	BRUSSELS THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9:30 a.m., Worship 11:30 a.m., Kollenberg, 19 (at the school), Tel: 673.05.21, Box 95, Tintin 94.
MADRID COMMUNITY CHURCH, Worship and Church School at 11:30 a.m., Padre Dariano 34, (Alvarez), Ormaiztegui and Gen. Yagorai, International, English Speaking, Tel: 698-5557	BUDAPEST INTERNATIONAL BAPTIST CHURCH Strada Popsi Ruzsi 22, 3000 p.m., Contact Bill Richardson, Tel: 016-91-61	MUNICH INTERNATIONAL BAPTIST CHURCH OF MUNICH, Hobart, 9, English Language Services, Bible study 18:00, Worship Service 17:00, Pastor's phone: 890634	COPENHAGEN INTERNATIONAL CHURCH OF Copenhagen, 27 Farvergade, Varbo, near Platanus, Pastor, 12018, 11:30, Jack Husted, Tel: 3125-0785
MUNICH INTERNATIONAL COMMUNITY CHURCH of Munich, Bible Believing, services in English, 11:30 a.m., Sunday School, 10:30 (at Theresienstr.) (089) 50 47 70	SUDBURY International Baptist Fellowship, 11 Binbo ul. 55 (main entrance) Topyosov ul. 7, immediately behind front entry, 10:30 Bible study, 8:00 p.m., Joel Jenkins, pastor, Tel: 1159739 & 1159118	PARIS and SUBURBS EMANUEL BAPTIST CHURCH, 55 Rue des Bons-Pastiers, Rue-Matrasion, An Evangelical church for the English speaking community, located in the western suburbs, S.S. 9485, Worship: 10:45, Children's Church and Nursery, Youth ministries, Dr. B.C. Thomas, pastor, Call 47-48-1529 or 47-48-1529 for information.	FRANKFURT TRINITY LUTHERAN CHURCH, Neulandstr. Allee 34, (U-Bahn) 5, Sunday School 9:30, worship 11 a.m., Tel: (069) 599476
PARIS and SUBURBS THE AMERICAN CATHEDRAL (Episcopal- Anglican), 9 Rue de la Chapelle, 75009 Paris, France, Tel: 47 20 17 92, Metro: George V or Alma-Marceau.	BULGARIA INTERNATIONAL BAPTIST CHURCH, Sofia, Grand Narodno Sobor, Pastor, Tel: 704387	GENEVA EV. LUTHERAN CHURCH of Geneva, 20 rue Verdanne, Sunday worship 8:00, 11 a.m., 11:30 a.m. in English, Tel: (022) 210-5088	LONDON AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m., George Street Tube, Tel: (01) 5802791
HOPE INTERNATIONAL CHURCH (Evangelical) Sun, 9:30 a.m. Holy Comm., Paris 11: Catherine de La Olerne, Tel: 47-73-5354 or 47-75-1427	CELE/HAANNOVER INTERNATIONAL BAPTIST CHURCH, Fie- derichstr. 11, 30159 Hannover, Germany, Tel: Worship 14:00, 30 min. D.W., 20 min. by train from Hannover, walking distance from Celle train station. Contact Andy Carl, Tel: 05141-39705	MOSCOW INTERNATIONAL COMMUNITY CHURCH services at Rylovskaya Street, Hershman, Surrey, Sunday School at 10:00 a.m. and worship at 11:30 a.m., Active youth program, Tel: (0352) 862823	MOSCOW MOSCOW PROTESTANT CHARITY, UPK, Nek. Ul. Ulits Palmir 5, bldg. 2, Wor- ship 9-11 a.m., S.S. Tel: 143-3952
ST. ANTON - ENGLISH-SPEAKING CATHOLIC MISSION , Services: 5:30 p.m., Saturday 11:15 a.m., Sunday, 8:30 a.m., 11:15 a.m., 5:30 p.m., 8:30 p.m., Tel: 22-22-55, Metro: Charles de Gaulle - Etoile	DARMSTADT DARMSTADT/BERGSTRASSE BAPTIST MES- SAGE, Bible study & Worship Sunday 10:30 a.m., 8:30 a.m., 11:30 a.m., Busschicht, 22, pastor, Tel: 0611-87-91883 (pastor) & 06115-69702 (nursery)	OSLO AMERICAN LUTHERAN Church, Filinvestor, 15 Worship & Sunday School 11 a.m., Tel: (02944) 3634	OSLO AMERICAN LUTHERAN Church, Filinvestor, 15 Worship & Sunday School 11 a.m., Tel: (02944) 3634
TOKYO ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ichibashi Sta., Tel: 5261- 3740, Worship Services: 9:30 a.m., Sundays	DÖSSELDORF INTERNATIONAL BAPTIST CHURCH, Eng- lish, s.s. 10:00, worship 11:05, Children's Church and nursery, Meets at the International School, Leuzenerbergstrasse 20, 40229 Düsseldorf, Friendly fellowship, All denomina- tions welcome, Bro. W.J. Delany, Pastor, Tel: 0211400157	PARIS AMERICAN CHURCH IN PARIS, Worship 11:00 a.m., 85, Quai d'Orsay, Paris, 75, 85 at Cor. Metro Alma-Marceau or Invalides.	STOCKHOLM EMANUEL BAPTIST Church, Christ in Swedish, English, or Korean, 11:30 a.m., Sunday, Binger Järlep, at Kungstensg. 17, 43009 15 12 25 x 727 for more information.
EUROPEAN BAPTIST CONVENTION EUROPEAN BAPTIST CONVENTION CHURCHES WELCOME YOU: 50 English speaking congregations in 13 European countries. Member Baptes World Alliance and European Baptist Federation. For information contact European Baptist Convention, Sovnervege 80, D-52000 Wiesbaden, Tel: 0611-823216	HAMBURG INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTHALL Lilienfeldtstr. 19, Hamburg, 20, Frankfurt a.M. at 11:20 a.m. & 12:30 each Sunday, Tel: 040820818	VIENNA VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 a.m., Sunday school, nursery, international, all denomina- tions welcome, Dorfstrasse 16, Vienna 1, Tel: (01) 5802791	WARSAW WARSAW INTERNATIONAL CHURCH, Protestant English language services, Sun- days 11:00 a.m., (Sept-May), 10 a.m. (June- Aug.), Sunday School 9:30 (Sept-May), Tel: 43-29-70
BARCELONA INTERNATIONAL BAPTIST CHURCH meets at Trav. de les Corts, 340-344, 2, Sunday worship 11:00, Dr. Jimmie Nelson, pastor, phone 4101891	FRANKFURT INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Sodenerstr. 11-16, 6080 Bad Homburg, phone 06194-23278 or 06194-63320 serving the Frankfurt and Taurus areas, Germany, Sunday worship 09:45, nursery & Sunday school 10:30, worship daily - Friday 10:30, Saturday 10:30 & Wednesday 19:30, Pastor M. Lacey, member European Baptist Convention, "Dedicate His glory amongst the nations"	WARSZAWA WARSAW INTERNATIONAL CHURCH, Protestant English language services, Sun- days 11:00 a.m., (Sept-May), 10 a.m. (June- Aug.), Sunday School 9:30 (Sept-May), Tel: 43-29-70	ZÜRICH INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Scherzengasse 22, Tel: (071) 252222

Russia Admits It Used Nuclear Dumps at Sea

Reviews

MOSCOW — The Soviet Union long violated international standards on dumping nuclear waste in Arctic and Far Eastern seas, an official report on Friday acknowledged.

The report, produced by the Russian government, environmentalists and other officials, said the most significant threat came from the dumping of reactors from submarines, ice-breakers and other seagoing vessels.

It proposed that Russia embark on a program to develop safer land-based storage methods. For the moment, it said, Russia had to continue dumping more dangerous liquid waste at sea because of a shortage of facilities on land.

"There were instances of dumpings that were unauthorized or carried out with vessels with nuclear waste having sustained an accident," the report said.

"The most serious potential radioactive danger is posed by the dumping in shallow waters around Novaya Zemlya and the Kara Sea of reactors from atomic submarines and a container from the icebreaker Lenin with nuclear fuel already unloaded."

But the report said that despite the failure to monitor radioactivity in the area for 25 years, studies over showed no danger to human life or the environment.

A joint expedition by Russian and Norwegian scientists, the second of its kind, was planned to the area later this year.

"Our initial conclusion is that there is no significant danger of radioactivity or contamination from radioactive waste disposed of by the Northern and Pacific navies or the Murmansk merchant marine," Alexei Poryadin, first deputy environment minister, said at a news conference.

The Soviet Union began storing spent fuel at sea in 1959 but was secretive about it and failed to inform international maritime authorities.

Russia has already acknowledged dumping 17 reactors in the Barents Sea, to the west of Novaya Zemlya, including seven containing spent nuclear fuel. It has pledged to stop the practice.

TRAVEL UPDATE

Sabena cabin crew employees announced a weekend strike Friday in support of demands for better working conditions, but Belgium's national air carrier said there would be no interruptions in its Saturday and Sunday flights.

Private jets have been banned from Jaffa Road, Jerusalem's main shopping thoroughfare. Beginning Friday, traffic in Jaffa Road was restricted to buses and taxis. Trucks can make deliveries at night.

The United States has lifted a month-old travel advisory warning Americans about the risk of terrorist attacks in Jordan, a government official in Amman said. "The State Department informed us through diplomatic channels that the travel advisory has been lifted as of March 31 and that all Americans can now travel to Jordan with no problem," the official said.

A one-day strike by British rail workers against job cuts halted trains across Britain on Friday. London bus drivers also struck for the day over job and pay cuts. Most Underground lines operated normally.

A strike by baggage handlers at Orly airport near Paris caused delays of up to two hours Friday for passengers on Air France and associated airlines, airport officials said. The handlers, who have staged sporadic action in recent weeks, are demanding a new salary structure.

Moscow's Arms Cast Gloom Over Japan

Agency France-Press

TOKYO — Japan called Russia's continued military presence in Asia destabilizing and expressed concern Friday about possible threats from China and North Korea.

The assessment was presented in the annual Foreign Ministry Diplomatic Blue Book, which also said the fast-changing global situation might force "serious debate" here in 1995 when Japan discusses whether it should expand its role in UN peacekeeping.

Citing Russia's deployment of sophisticated military equipment, the document called the presence of Russian armed forces in the Far East "a factor of instability concerning the security of the region."

Russia's growing weapons exports and its plans for the continued use of naval installations at Cam Ranh Bay in Vietnam also remained a cause for concern, the assessment added.

It called for scrutiny of China's military modernization program, including its purchase of Su-27 fighters from Russia, and noted that regional concerns about Beijing's military buildup and its claims to the disputed Spratly Islands in the South China Sea.

On North Korea's suspected nuclear arms program, which has embroiled the UN Security Council, the paper noted reports that Pyongyang was producing a missile with a range of 1,000 kilometers that could strike Japan.

The report said that Japan's relations with the United States would remain "one of the main tasks of Japan's diplomacy 1993" and that the two countries should be prudent in solving trade problems.

The document asserted that there was a limit to the effectiveness of traditional UN peacekeeping operations in the conflicts in the former Yugoslavia and Somalia.

It pledged Japan's continued contribution of troops to UN

15 U.S. Reactors Found Weakened by Radiation

By Matthew L. Wald
New York Times Service

NEW YORK — The staff of the Nuclear Regulatory Commission has found 15 nuclear reactors around the United States whose reactor vessels have become so weakened by radiation that they will require careful analysis to determine if they are still safe.

The staff's finding, affecting about one-seventh of the nation's 111 reactors, is a sign that the installations are aging faster than their builders had anticipated and will take more effort to keep running.

The staff singled out the plants in a study that it began last year after a 32-year-old Massachusetts plant, Yankee Rowe, was retired because of questions about the strength of its reactor vessel.

The reactors on the new list probably not have to shut soon, industry experts said. Rather, their owners will have to provide extensive analyses to show that the weakened metal is still stronger than the minimum calculated to be necessary. Some have already submitted analyses to the commission, although none has been approved yet.

The reactor vessels are becoming brittle because of years of bombardment by subatomic particles called neutrons, which sustain the chain reaction in the reactor cores. In a report to the commissioners Feb. 25, but not made public until three weeks ago, the staff noted, "The integrity of the reactor pressure vessel is essential in ensuring reactor safety." Embrittlement depends mostly on plant design, metallurgy and years of operation.

UNIVERSITY DEGREE
BACHELORS • MASTERS • DOCTORATE
For Work, Life and Academic Experiences • No Classrooms • Flexible Hours • Free Tuition
(310) 471-6304
FAX: (310) 471-6456
Call or write for information or send detailed request for Free Evaluation
Pacific International University
800 N. Sepulveda Blvd., Dept. 23
Los Angeles, CA 90048

For investment information
read THE MONEY REPORT
every Saturday in the INT

'Shortcomings' Found in Audit of WHO Finances

Reuters

GENEVA — Auditors investigating the finances of the World Health Organization said on Friday they had found "shortcomings" in its use of funds, but laid no personal blame on its Japanese chief, Hiroshi Nakajima.

The audit identified six cases where normal WHO procedures had not been followed in the awarding of contracts. It called for greater scrutiny of the agency's procedures.

A team of auditors was called in after Mr. Nakajima's reappointment as director-general by the executive board in January. Four of the contracts concern payments to or for individual board members believed to have voted for Mr. Nakajima.

Sir John Bourne, the audit director, said the "most serious case" involved a \$150,000 contract to a research foundation run by a board member, Dr. Alfredo Bangzon of the Philippines, said to be one of 18 board members who backed the Japanese pharmacologist.

FIRST 100 DAYS / ON THE WAY TO THE SUMMIT



Mr. Clinton, with a special assistant, Bruce Lindsey, left, and Vice President Al Gore arriving in Oregon for talks on old-growth forests.

Western Aid? Russians Wonder When

By Celestine Bohlen
New York Times Service

MOSCOW — From the day they first watched the "rain forest" aid program, Russians have been puzzled by the West's fumbling attempts to aid their beleaguered country. First, amid a blizzard of publicity, came shipments of food, ranging from baby food to Meals Ready to Eat left over from the Gulf War, sent by governments and charitable organizations in response to alarmist reports that Russians were about to go hungry. Then, as the threat of mass hunger faded away, exposing Russia's genuine economic problems, the West's seven leading industrialized nations patched together a complex package of financial aid, costing \$24 billion. That figure, however, is a deep impression on Russian citizens, who took it as a sign that after the Cold War, the West was serious about helping them build a viable, vibrant economy.

Now, after a year of watching a steady stream of Western consultants tramping through Moscow, staying at the city's ostentatious five-star hotels, Russians are asking what happened to the \$24 billion that was promised them last year. More to the point, some are asking whether it ever came at all. The answer, as Western economists have tried to explain at great length, is both "no" and "yes, but." No, Russia has not received the bulk of funds due from the International Monetary Fund — so far only \$1 billion out of a promised \$4 billion has been released — because the government has not been able to meet IMF conditions, namely strict controls over monetary and budgetary policies. Nor has it been eligible for a \$6 billion ruble stabilization fund, for the same reasons.

Yes, it has continued to receive a steady trickle of "humanitarian aid" — 476,000 tons of food, valued at \$700 million, and \$200 million worth of medicines were delivered here last year — which so far, have been the most visible part of the Western aid package. And yes, Russia has received about 80 percent of an estimated \$11 billion in bilateral credits pledged for 1992 by several Western countries, including the United States. But most of these credits were granted not to a new Russia caught in the throes of economic reform, but to an old Soviet Union, issued not in the form of cash, but in the form of commodities and equipment purchased in the leading export countries on tough terms roughly comparable to those for commercial loans.

Most of these credits are a pre-packaging of old programs, circulated by the leading countries for their own domestic purposes, said Denis Kiselyov, chief of the analysis unit at the World Bank offices in Moscow. "It is very difficult to qualify them as aid." For instance, \$3.5 billion of the so-called \$24 billion aid package is a credit from the United States to buy U.S. grain, an annual program that has been around for decades. Altogether, according to Mr. Kiselyov, between 40 percent and 45 percent of the 1992 credits were for the purchase of foodstuffs, while the rest was for equipment, spare parts and other "critical" imports. The World Bank has committed \$760 million in loans to Russia this year — also part of the \$24 billion package — of which only about \$60 million has been released for the purchase of imported equipment, in this case bought on a competitive basis, with a portion of credits available to Russia's struggling private sector.

★ POLITICAL VOICES ★

Drug Companies See Threat in Vaccine Plan

WASHINGTON — Drug company executives said they might slow or stop development of new vaccines if the Clinton administration went ahead with its plan to buy vaccines for all children. The comments came at the same time that the secretary of health and human services, Donna E. Shalala, announced at a news conference that the government intended to go ahead with the plan, and to seek out all American children who are not immunized. To sending his proposed legislation to Congress on Thursday, President Bill Clinton called the program an urgent measure. The \$1.1 billion administration plan is intended to ensure that all children are fully immunized by age 2. Dr. Ronald J. Saldmini, president of Lederle-Franco Biologicals, a division of the American Cyanamid Co. and the largest producer of vaccines in the United States, said he feared that if the government became the sole purchaser of vaccines, which it now buys at a discount, the result would be an overall lowering of price. Dr. R. Gordon Douglas, president of the vaccine division of Merck & Co., said the government not only paid a lower price but was also an unreliable buyer. Dr. Howard A. Pearson, president of the American Academy of Pediatrics, said the administration's plan was crucial to the health of American children. (NYT)

Conservationists Criticize Clinton Reversal

PORTLAND, Oregon — On the eve of a major test of the administration's commitment to natural resource protection, the heads of three of the nation's largest conservation groups bitterly accused President Bill Clinton of betraying a promise to reform federal policies on use of public lands. Referring to the administration's decision earlier in the week to abandon a push for higher fees on mining, grazing and timber activity on federal lands, the president of the National Wildlife Federation, Jay D. Hair, said that "what started out like a low affair" between the environmental community and the new administration was "turning out now to be more like date rape." Joined at a press conference by Peter A. Berle, president of the National Audubon Society, and Karin Sheldon, acting head of the Wilderness Society, Mr. Hair said Mr. Clinton's "politics as usual" on resource fees raised fears of the abandonment of strong protections for the Pacific Northwest's old-growth forests. (NYT)

Nuances Groping Up in Energy Tax Proposal

WASHINGTON — The Clinton administration is offering political sweeteners and exemptions that would make its proposed energy tax less burdensome than expected for certain industries and regions of the country — without surrendering revenue. Among the beneficiaries would be coal producers and oil refiners, parts of the natural-gas industry, ethanol-producing farm states and the New England region, a heavy consumer of home-heating oil. The changes in the plan the administration unveiled in February — some substantive and others more symbolic — were largely calculated to help the tax proposal gain support in Congress. But critics said they could lead to its unraveling by encouraging more special interests to clamor for loopholes. "The proposal is riddled with special-interest exemptions," said Edwin S. Rothschild, an energy analyst at Citizen Action, a consumer-advocacy group. "It's going to create an incentive to other special interests to seek further exemptions or reductions as this tax moves through the legislative process." Treasury spokesman Jack R. DeVore Jr. said the proposal was developed with one overriding goal in mind — "passing the president's economic plan." (NYT)

Quote/Unquote

Senator George J. Mitchell, Democrat of Maine and the majority leader, on Republican efforts to block President Bill Clinton's economic stimulus plan with a filibuster: "The problem is, they're trying to embarrass the president, to pull the rug out from under him at a critical moment." (NYT)

Away From Politics

Defense attorneys stumped prosecutors in the civil-rights trial of four Los Angeles police officers by abruptly raising their case, raising the likelihood that jury deliberations could begin by the middle of next week. Three officers and a former officer are being tried in federal court on charges of violating Rodney G. King's civil rights when they beat and kicked him March 3, 1991, after a high-speed pursuit. Their acquittal on 10 of 11 state charges last year touched off riots. Talks with the cult leader David Koresh have been hampered by his gunshot wounds, a lawyer said after meeting with him, but federal agents said doctors thought the wounds were not life-threatening. The Federal Bureau of Investigation said officials would not let a doctor inside the cult's heavily fortified compound at Waco, Texas, as Galvanized by the slaying of a doctor outside an abortion clinic in Pensacola last month, abortion-rights advocates in Florida are pressing in the state legislature and in the courts for new measures to strengthen protection for such clinics and stiffen the penalties for people who obstruct their work. In the last four weeks, four priests in one small Roman Catholic diocese in southern Illinois have been removed as pastors after diocesan officials found that stretch back to the 1960s. The accusations of sexual misconduct in four separate communities, allegations involve separate incidents in the Belleville Diocese, which But they have stunned Illinois from the Mississippi River to the reaches across southern Illinois, it is the smallest of Illinois' six dioceses, and it has just 140 priests. AP, NYT, WP.

Senator Indicted In Expense Fraud

The Associated Press

WASHINGTON — Senator David P. Durenberger was indicted Friday on two federal charges that he falsified his Senate expense account to get taxpayer reimbursement for stays at a Minnesota condominium he owned. The Minnesota Republican; his attorney, Michael C. Mahoney, and an adviser, Paul P. Overgard, were charged with conspiring to make false claims and with making false claims to the Senate. The Justice Department has been investigating the senator since 1990, when the Senate denounced him for ethics violations, including some involving the condominium. At the time, the senator promised his colleagues that he would be "a better man and then a better senator," and agreed to repay \$123,000 in restitution. The indictment returned here by a federal grand jury accused Senator Durenberger and his two advisers of hiding the senator's ownership in the condominium so that he could qualify for government reimbursement when he stayed there. Mr. Mahoney and Mr. Overgard, president of Independent Service Co., a pension advisory company in Albert Lea, Minnesota, also were charged with perjury and making false statements in depositions and affidavits given to the Senate Select Committee on Ethics.

Perot Puts Clinton In a Snit

By Gwen Iglil
New York Times Service

ANNAPOLIS, Maryland — President Bill Clinton and Ross Perot abruptly dropped all pretense of diplomacy in a fit of transcontinental name-calling that only shattered their political ceasefire. Here for a speech at the U.S. Naval Academy on Thursday, Mr. Clinton, in response to a question, said that Mr. Perot had engaged in "rumor-mongering" by repeating unflattering stories about the administration's relations with the military. Mr. Perot, a Texas businessman who won 19 percent of the vote as an independent candidate for president last year, responded tartly in a telephone interview from Dallas, charging that Mr. Clinton had "ducked" military service and thus lacked moral authority to criticize an army general who recently complained of poor treatment at the hands of a White House aide. "If he wants to climb into the ring," Mr. Perot said ominously, "any time, anywhere." Mr. Clinton seemed especially annoyed by Mr. Perot's decision to repeat a widely circulated story that a member of the president's staff had refused to speak to a uniformed general on the White House grounds. "The other story, like all those military stories, is an abject lie," the president said. "I don't think we ought to be out here rumor-mongering myself. I think it does very little to support the public interest." But the officer, Lieutenant General Barry R. McCaffrey, told The Washington Post that the incident did occur. He added that the incident was overblown.

AMERICAN TOPICS

After 25-Year Fall, Smoking Levels Off

The percentage of people who smoke failed to decline in 1991 for the first time in a quarter-century, according to the federal government's Centers for Disease Control and Prevention. Smoking actually increased among blacks and women. The agency blamed the wide availability of discount cigarettes and \$3.9 billion in annual tobacco advertising. It urged higher cigarette taxes. "We need to look at bold steps because we're not making the progress we need to make," said Dr. Michael Eklund, director of the agency's Office of Smoking and Health. The figures for 1991, the latest available, mark the end of 25 years of steady decreases in smoking. And they mean the United States won't meet an agency goal: only 15 percent of people smoking by the year 2000. Dr. Eklund said that "at the current rate, we'll only reach 19 percent."

Short Takes

Roger Blackwell, a professor of marketing at Ohio State University, is father of the "Restroom Theory of Management." A past winner of the American Marketing Association's award as "Marketer of the Year," Professor Blackwell told a recent business convention, "I have never seen a firm with dirty restrooms and good customer service." A remote control that opens the sliding door of a minivan is being offered by General Motors as a \$295 option. A driver walking toward the van — with arms full of packages, for example — pushes a button on the key chain and the door slides open. Remote controls already unlock car doors but this is said to be the first that actually opens them. The last of the original McDonald's restaurants, built before Ray Kroc took over and covered the world with golden arches, has been serving hamburgers in Downey, California since 1953. It will be closed because it lacks a drive-through window, is unsuitable for remodeling, and has been losing \$50,000 a year, a company spokesman said. Commenting unashamedly on the U.S. Supreme Court opening created when Justice Byron R. White announced his retirement, Raodall A. Terry, founder of the militantly anti-abortion Operation Rescue, said, "It may be hard to find a multicultural, politically correct, child-killing, lesbian spotted wolf to fill the vacancy." Julius Westheimer, financial columnist for The Baltimore Sun, reports that an elderly woman told him, "Young man, at my age I don't want long-term bonds. I'm so old I don't even buy green bananas any more." Arthur Higbee

Watching Yeltsin's Every Step If He Bids, Talks Could Backfire at Home

By Margaret Shapiro
Washington Post Service

MOSCOW — The first summit meeting between Presidents Boris N. Yeltsin and Bill Clinton holds much promise for the Russian side, which wants new aid to help prop up faltering reforms, but it is also fraught with tremendous risks for the Russian leader, who is under increasing attack for selling out to the West. This meeting was eagerly sought by Mr. Yeltsin last month as political opponents, opposed to his reforms, began circling around with the intention of removing him. Mr. Yeltsin and other Russian officials, are hoping that a new infusion of U.S. aid for very concrete, visible projects, coupled with some easing of old anti-Soviet trade restrictions, will give Mr. Yeltsin and his free-market programs a needed boost going into a critical national referendum on April 25. But, in the current extremely unpredictable political atmosphere, in which many Russians feel impoverished by Mr. Yeltsin's economic changes and disheartened at their country's collapse from superpower status to an international basket case, the summit meeting could also easily backfire, many here believe.

NEWS ANALYSIS

Mr. Yeltsin cannot afford to be seen as a supplicant, as an unequal partner begging for help from the United States and willing to make foreign policy and other concessions to stay on America's good side. Hard-line nationalists and former Communist critics have already accused the United States and the West of wanting to destroy Russia with aid packages conditioned on stringent economic changes. While these critics still represent only a fraction of public opinion, their influence is growing both in the legislature, which has also done all effort at compromise with Mr. Yeltsin in advance of the April 25 vote, and among the hard-pressed general public. "The most dangerous thing for Yeltsin about the summit is if it appears as a surrender, if Russians get the impression that Americans are giving in exchange for something," said Igor Klyamkin, a political analyst. "Anything that can be interpreted as an infringement on Russian dignity, any trace of a haughty attitude will not be accepted well by Russian public opinion and will result in a negative attitude toward both Clinton and Yeltsin."

Watching Yeltsin's Every Step

Even if everything goes extremely well for Mr. Yeltsin, it is unlikely that this meeting will generate that much interest in the Soviet Union, where economic and political crisis has made most people inward looking. Unlike the days of Mr. Gorbachev, when summit meetings with a U.S. president often heralded major steps in ending the Cold War as well as hostility between the two countries and the Soviet Union's isolation from the West, these are no longer burning issues. Marlboro cigarettes and Baskin-Robbins ice cream are available on almost any major street corner in Moscow, American movies fill theaters in all the big cities, Ford cars and Panasonic video players are advertised after the nightly television news. More importantly, the West's promise of a better life soon has now been tarnished by Russian reality. For Mr. Yeltsin to come out well in this summit meeting, Mr. Ambartsumyan and others said, he needs a concrete program of assistance that provides immediately apparent benefits: new housing for displaced military people; financial support for people losing jobs because of economic restructuring; aid for retired people and children; and new programs to draw large-scale U.S. investment into Russia's troubled economy. Clinton administration officials say the president is planning to offer such a targeted package to Mr. Yeltsin that could provide quick, visible signs of the fruits of cooperation between the two countries. "The forthcoming summit should not end just in statements and assurances of friendship but in concrete steps and commitments," said Maxim Yudin, a foreign affairs correspondent with Izvestia. "I mean concrete investments in the Russian economy so that the average man on the street can see tangible effects from the summit." A key element of that, mentioned in virtual all commentary on the talks, is expanding Russian access to world markets. Russia's military-industrial complex is one of the few remaining bright spots in the collapsing economy.

Watching Yeltsin's Every Step

Mr. Yeltsin's strong personal support for Mr. Yeltsin is a mixed blessing. Some voters take Western endorsements as important signs of confidence, while others believe the West should back democracy without "meddling" by singling out specific people for support. "If Clinton is going to give aid personally to Yeltsin, it will be counterproductive, because it will be immediately used against Yeltsin by the opposition," said Yevgeny Ambartsumyan, a centrist legislator. "There must be assistance to the processes of democratization." In general, he said, the West has tended to personalize its relations with Russia, fixating on one person — first Mikhail S. Gorbachev and



Ambassador Lapel Flags®
Your Logo with any 2-flag mix
• 24K Gold finished • Full colors
• 100% U.S.A.-made
WE custom-make any emblem for you!
Delivered 14 business days. Worldwide.
TME Co., Inc. 101 Bell Drive
New Milford, CT 06767, U.S.A.
(800) 535-5225 • Fax (203) 354-2786



Dining Out

AMSTERDAM HAASJE CLAES Real Dutch Cooking. Open house lunch and wine. Specialized 275. Tel: (41) 24 79 16. Fax: (41) 24 79 16. BRASSERIE DE ROODE LIEUW	PARIS 7th THOUMIEUX Specialties of the South-West. Coiffed de coiffes & croissants au chocolat de croissants. Tel: (1) 47.05.49.75. New location: former.
PARIS 15th LE TOIT DE PARIS Dance parties every Saturday night starting at 8 p.m. with gastronomic special buffet and music on 10th floor of the hotel. Paris on the 10th floor of the hotel. Paris on the 10th floor of the hotel. Tel: (1) 47.37.92.00.	PARIS 16th OKAGAWA JAPANESE GRILL A pleasant setting for Yokohama. Delicious breakfast buffet over 100 items in the heart of Paris. Tel: (1) 47.37.92.00.
PARIS 1st CARR'S French and Irish cooking. Lunch, Saturday and Sunday. Tel: (1) 47.37.92.00.	PARIS 7th CHARLOT Roi des Coqueilles Real haute-cuisine from Marouville. Sea food and fish specialties. Menu of 200 FF. Tel: (1) 47.37.92.00.
PARIS 6th L'ARBUCCI The grill menu of the best price. In a cozy atmosphere in St Germain des Pres. Tel: (1) 47.37.92.00.	PARIS 16th CHEZ FRED Lycienne bistrot, traditional French cooking. daily dishes. 190 bis, 16th, Paris. Tel: (1) 47.37.92.00.
PARIS 6th LE BIBBOQUET A jazz temple since 1947 which hosts the greatest jazz. At the heart of Saint Germain des Pres for dinner or a drink. Gastro menu of reasonable price. 19, rue Saint-Benoit. Tel: (1) 47.37.92.00.	PARIS 16th DA MEO PATACCA Traditional Italian food. 1st floor, 16th, Paris. Tel: (1) 47.37.92.00.
PARIS 6th LE PROCOPE Famous in the "Golden Age" tradition and creative cooking. Excellent wine list. 73, E. Avenue de la Republique. Tel: (1) 47.37.92.00.	PARIS 16th KERVANSARAY Turkish & Irish specialties. 1st floor, 16th, Paris. Tel: (1) 47.37.92.00.
PARIS 6th YUGARAJ Hailed on the best Indian restaurant in France by the leading guides (see conditions) 14, rue Dauphine. Tel: (1) 47.37.92.00.	

APR 3 1993

OPINION

Herald Tribune

The Dirty Work in Bosnia

A first vote to authorize force in Yugoslavia has been taken in the United Nations. The Security Council now instructs the Western powers to apply "all necessary measures" to keep Serbian aircraft from aiding Bosnian Serb units in the battle of Bosnia. But the expert consensus is that the Serbian aircraft are not much of a factor. By the time the French, British and Russians had imposed their conditions, moreover, the operative guidance might better have been rewritten as "some questionable measures." An example: Allied aircraft can fire at planes that fly at them but cannot chase them back into Serbia. UN officials say the vote sends Serbs a clear signal. But it is a signal of halfheartedness.

'This Right for All People'

It was a Republican president, Dwight Eisenhower, who made an especially cogent case for the importance of international family planning. "Governments must act and private citizens cooperate urgently through voluntary means to secure this right for all people," he said. "Failure would limit the expectation of future generations to a life of poverty and suffering and bring down upon us the curse of a world of despair."

A subsequent Republican president, Ronald Reagan, did not share Mr. Eisenhower's concern and denied funding for International Planned Parenthood and the United Nations Population Fund. The result was to inhibit certain invaluable population control programs for nearly a decade. Now President Bill Clinton's Democratic administration proposes to restore Mr. Eisenhower's compassionate approach to an issue that ought to be above partisan politics.

The Reagan administration, responding to its more extreme right-wing supporters, promulgated the so-called Mexico City policy in 1984, which banned federal aid to any family planning agencies that so much as mentioned abortion.

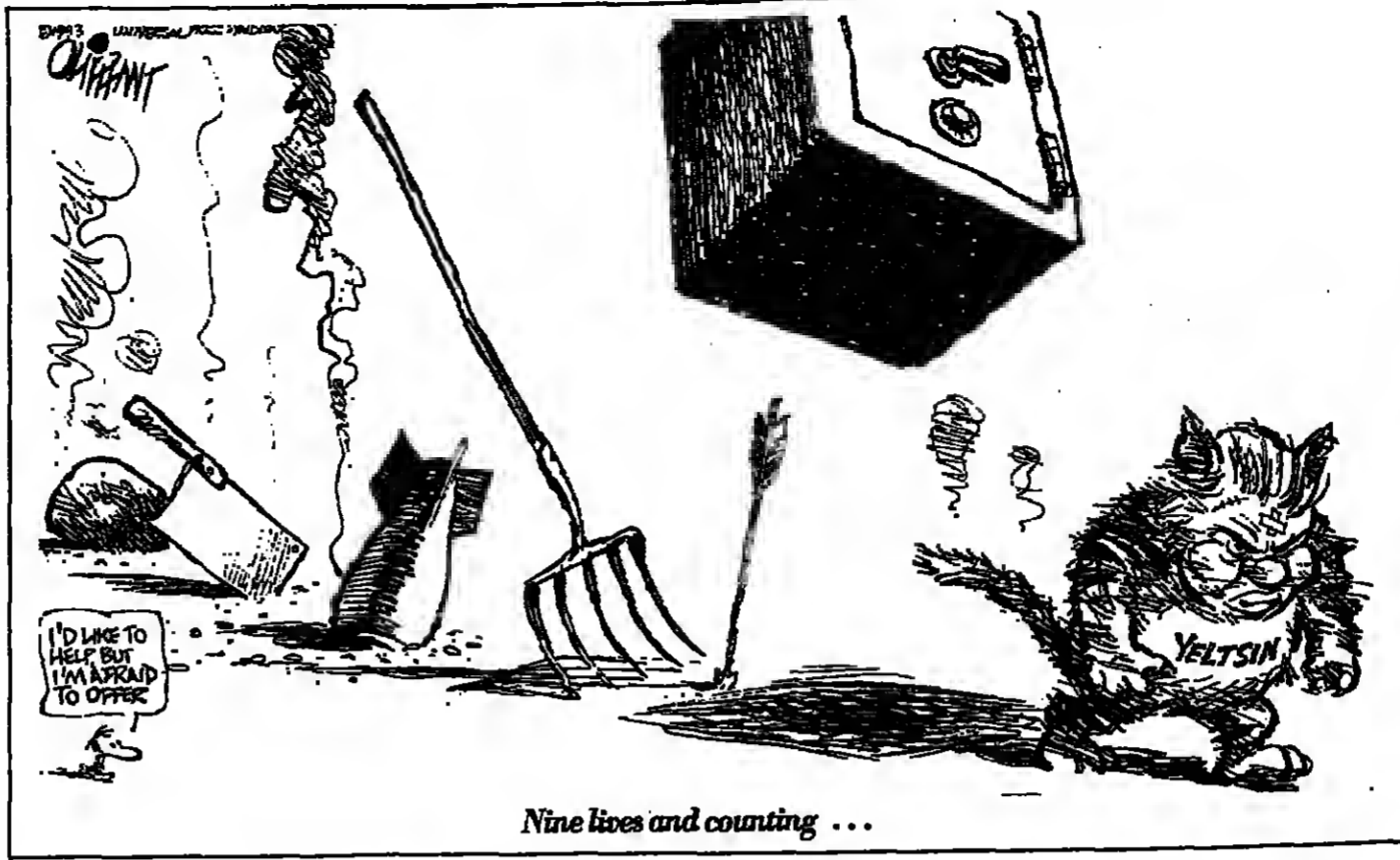
When population experts protested that such a ban held poor countries' efforts hostage to America's abortion controversy, Mr. Reagan's advisers had a blithe answer. Population growth, they said, was a "natural phenomenon" that could stimulate economic growth. More people, they argued, meant more ideas, more productivity and more consumers. If the abortion rule constricted population programs, it would do the world a favor.

Ambitions of Newcomers

There is an honorable tradition whereby freshmen members of the U.S. Congress show up, decide the place is a mess and offer a packet of reforms. This year's intake of new members is particularly large, and the reformist mood in the country is vigorous. So it is not surprising that the 63 freshmen Democrats and the 47 freshmen Republicans this week offered dueling plans to sweep the House clean.

Other Comment

Rebuilding the French Left
The left, annihilated at the ballot box, has made the need for "reconversion" its first priority. But what is meant by that? The reconversion of the left can have only one meaning: to build a leftist party shorn of socialism. Socialist theory, developed in the 19th century, rests on a precise postulate: that all of humanity's problems can be resolved by suppressing private ownership of the means of production and exchange. This can be applied in a pure form, as the Communists did, or it can be diluted. But if the principle is not respected at least partially, it loses all meaning and should be struck from the political vocabulary.



Vancouver: Good for Gardening, Not Grand Visions

WASHINGTON — The script called for Bill Clinton to move on in a statesmanlike fashion from a successful first encounter with the domestic agenda to a major high-policy initiative aimed at bolstering democracy and reform in Russia and beyond. This was to be the work of the Vancouver summit meeting this weekend.

Bobby, Martin and John: And If They Had Lived?

NEW YORK — Twenty-five years ago Sunday, on April 4, 1968, Martin Luther King Jr. was shot to death as he stood on a motel balcony in Memphis, Tennessee. He was 39. What if he had lived?

How to Eat (and Drink), How to Parent, How to Think

WASHINGTON — My channel surfing was arrested by the news reporter at the Manhattan courthouse recounting the day's doings at the Woody Allen-Mia Farrow custody fight. "Testimony today," she said, "focused on Woody Allen's lack of parenting skills." By this she meant that on the witness stand Mr. Allen had admitted that he (1) could not ome ome one of his children's friends, (2) had never taken the children to the barber or given them a bath, (3) did not know who their dentist was, (4) had never attended a parent-teacher conference for son Sachel. In fact, the three children whose custody he seeks had never spent a night at his apartment.

To Alleviate The Misery Of Numbers

By A. M. Rosenthal
NEW YORK — Presidents have a kind of political bank account in American minds. When a president takes an important step, or checks one, each American makes a mental deposit or withdrawal according to his or her political tastes.

Can I even grasp this? Just in the years of my own interest in India, it has grown by twice the present population of the United States. My God, between Bombay's airport and the city, I drove along a carpet miles long — collections of burly rags in which hundreds of thousands of human beings live. Not fit for dogs. In their villages there are 100 million people to feed, no chance of work. On the pavements they can at least hope that somewhere in the huge city there will be something for them, some food, some labor.

Perhaps we can grasp India now. But can our minds encompass a vision of the streets of Bombay, or of scores of exploding cities around the world, in another few decades? I do not think we can; nobody has ever seen such dreadful things as these streets will be.

With decent birth control, India could still be a reachable dream of economic and political dignity. Without it, all the sweat and talent will not fulfill that hope.

There is an almost unspeakable sorrow in that thought — the knowledge that all the drive and effort that Indians and Mexicans and Nigerians and Egyptians, and so many others, have put into strengthening their countries may add up to nothing but unending misery.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A New Explosive
BERLIN — There have been gun trials with a new explosive substance which is to replace the powder in use in the German Army. The new explosive is chiefly composed of a kind of fatty substance, and is of a brownish color. It is of the consistency of frozen olive oil, and remains so up to a temperature of 50 degrees Centigrade. The substance explodes neither by blow, shock or spark, but by the introduction of a fresh substance. The explosion is almost smokeless, and produces very little detonation.

1918: For the Doughboys
AMERICAN FRONT — After two days' shelling the Germans have finally named the Salvation Army truck, but its precious cargo of doughboys was successfully saved by volunteers who braved the dangers at night. The Herald story how the truck became a target for the German guns has been read by the soldiers, and next to the

big battle in the north is the leading topic of discussion. The Salvation Army is not to be hampered by the loss of the truck. The trench boys must have doughnuts. The Engineering Corps sent word today [April 3] that it will transport to the trenches all doughnuts and other dainties the Salvation Army wishes to send.

WASHINGTON — [From our New York edition:] A sudden island of fighting in the Solomon Islands area was revealed today [April 2] by the Navy department. The fighting resulted in the scattering of Japanese vessels which were apparently trying to land supplies and reinforcements on the much-bombarded Munda Island and the shooting down of sixteen Japanese Zero planes of a force of about forty that tried to divert American planes from attacking the island. The Navy said. Six American planes were shot down, but two of the pilots were rescued.

INTERNATIONAL HERALD TRIBUNE
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
LEE W. HUEBNER, Publisher
JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL AERT, KATHERINE KNORR
and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor
ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
RENÉ BONDY, Deputy Publisher • RICHARD H. MORGAN, Associate Publisher
JUANITA I. CASPARI, International Advertising Director • ROBERT FARRÉ, Circulation Director, Europe
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00. Telex: Circulation, 612832; Production, 630698.
Chairman from 1958 to 1982: John Hay Whitney
Editor for Asia: Michael Richardson, 5 Canabury Rd, Singapore 0511. Tel. 472-7768. Te. RS59828
Mgr. Dir. Asia, Rolf D. Knappe, 50 Gloucester Rd, Hong Kong, Tel. 8610616. Telex: 61170
Mgr. Dir. U.K., Garry Thomas, 63 Long Acre, London WC2E. Tel. 836-4802. Telex: 2622009
Gen. Mgr. Germany, W. Lauerbach, Friedrichstr. 15, 10009 Frankfurt. Tel. (089) 726755. Te. 4162201
Pres. U.S.: Michael Conway, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175
S.A. as capital of 1,200,000 F. RCS Nanterre B 73202126. Commission Paritaire No. 61337
© 1993, International Herald Tribune. All rights reserved. ISSN: 0294-8022



IN TUNE — Boris N. Yeltsin greeting Mikhail Rostropovich on Friday after the cellist delivered a fully equipped medical bus to a Moscow children's hospital. A second bus will go to St. Petersburg.

Real Bullet May Have Killed Actor Lee

By Patrick Boyle
Los Angeles Times Service

WILMINGTON, North Carolina — The death of Brandon Lee in a filming incident took a startling turn when police disclosed that the actor was killed by what was apparently a 44-caliber bullet.

What appeared to be a bullet was discovered lodged near Mr. Lee's spine during an autopsy, calling into question the safety procedures on the film set.

Detectives from the Wilmington Police Department said that they were still treating the death as an accidental shooting. They said that they recovered the 44-caliber pistol from the movie set along with what appeared to be two spent casings, one from a blank round and the other from a "dummy" bullet used in the filming.

"Dummy" rounds, which look like real bullets, are placed in revolver cylinders for close-up shots so the weapons appear to be loaded.

Police said it will be at least a week before laboratory analysis will be complete to determine the specific nature of the material found in Mr. Lee's body.

Mr. Lee, 28, was the son of the late martial arts film star Bruce Lee. The accident occurred Wednesday at Carolco Studios, where an action film, "The Crow," was in its final week of production.

Officials at Carolco and others involved with the movie have declined to discuss the events leading to the scene in which Mr. Lee was killed. They also refused to answer any questions regarding safety procedures in place for such action scenes.

In the scene, Mr. Lee walked through a doorway carrying a bag of groceries and was shot one time by the actor Michael Madsen, playing a villain in the film. At the moment of the shooting, Mr. Lee pulled a trigger hidden behind the grocery bag to set off a "squib," a small explosive device designed to create the appearance of the sack bursting when struck by a bullet.

After setting off the squib, Mr. Lee collapsed on the set, bleeding profusely from the right side of his abdomen. He was rushed to New Hanover Regional Medical Center, where he died after five hours of surgery.

RIGHT: A Loyalty Feud

(Continued from page 1)

other House Republicans. "In the interest of saving as an alarm bell rings in the night," the letter began, "we wanted to alert you to a rapidly spreading frustration and anger with the chamber's failure to take an aggressive posture on the Clinton economic program" before "we pass the point of no return."

It added: "The chamber's current posture is disturbing. We have had several brutally frank discussions about it."

The letter concluded, "Your current posture is unacceptable."

The chairman of the chamber, Ivan W. Gorr, who heads an Ohio-based insurance company, replied in a letter this week. "This apparent attempt to dictate to us what our policies should be is deeply offensive."

He added: "The irony of your approach will not be lost on our members — that a small group of legislators, who espouse the principle of limiting government interference in business, is attempting to interfere in the democratic policymaking process of a business organization."

Partisans on both sides say the conservatives believe they must discipline the chamber because it has compromised with Mr. Clinton more than other business groups, and because the conservatives want to maintain the Reagan coalition of business groups, Christian fundamentalists and the ideological right.

Chamber officials say their adversaries distort its position. The chamber has not endorsed the Clinton program wholesale, but expresses vague support for some of its efforts to cut the deficit and reorganize the health-care system. But the chamber also strongly opposes other Clinton proposals, such as one to bar companies from replacing strikers.

Both sides acknowledge that the argument is especially heated because the traditionally anti-tax chamber has been one of the night's most loyal friends in recent years. Of all large business groups, the chamber was the most vociferous in attacking tax increases in President George Bush's 1990 budget compromise.

Conservative journalists have also criticized the chamber for its conduct, including columnists Rowland Evans and Robert Novak and such magazines as National Review, Insight and Human Events.

William Stone, a chamber board member and a conservative, said the dispute was less political than "psychological."

President of a Kentucky-based plate-glass company, Mr. Stone said the conservatives, including some close friends, were "out in the cold for the first time in 12 years."

He added: "They're suspicious of my friends who even talk to the enemy. They feel abandoned."

In Germany, the Work Ethic Splinters

By Craig R. Whitney
New York Times Service

FRANKFURT — Ante Kundić, a 43-year-old refugee from Croatia, thought he had landed a job as an electrician on a housing construction site in Fechenheim earlier this week.

But the German labor office and the police took it away from him less than 24 hours later in a raid of a kind that is fast becoming a daily occurrence here.

"We're being encouraged to make these raids, but they usually don't turn up much," said Bernhard Gorg, an investigator of the Frankfurt labor office in charge of combating illegal employment. He said he was surprised himself that this one had turned out to be different.

Pressure to crack down on illegal employment is intense in a country hit by rising joblessness, frustrated by a steady influx of foreign asylum-seekers and refugees who are not supposed to take jobs at all, and anger at native Germans who cheat the welfare system out of an estimated 10 billion Deutsche marks (\$6.2 billion) every year, politicians say.

Many German voters are angry at their politicians for being seemingly unable to do anything about these problems. In local elections here in March, the right-wing Republicans, who promised more effective action, won 9.3 percent of the vote.

So federal, state and local government authorities, following the election returns, are cracking down on welfare abuses. The crackdown, they say, will save the taxpayers bil-

ions of marks that would otherwise come from income tax increases or budget cuts, for the reconstruction of the shattered economy of East Germany.

But wage levels and fringe-benefit costs in Germany are among the highest in the world, driven up by decades of welfare-state expansion comfortably protected by the United States and other NATO allies during the Cold War.

For the first two decades after World War II, Germany had a labor shortage, and invited hundreds of thousands of Italians, Yugoslavs and Turks to come and work, at German wage levels, as "guest workers."

Recruitment stopped with the economic slowdown of 1973, but nearly 3 million people from these areas still live in Germany 20 years later.

New pressures arose after the collapse of communism and the rise of nationalism in Eastern Europe. Lately, pressure on the German labor market from unemployed and well-educated East European workers also has been rising, and tens of thousands of them have streamed here looking for work.

Nearly 100,000 workers from Eastern Europe are legally employed in Germany, the labor authorities say, working for Romanian, Polish and Bulgarian subcontractors in the construction industry. These subcontractors often underbid German companies, and suspicion is widespread that they can do it because they pay their workers less than minimum German wages, though they are not legally allowed to.

But there are also tens of thousands more

such workers from Eastern Europe who come here ostensibly as tourists — not to see the sights, but to paint ceilings, repair washing machines and do carpentry, charging far less money than German workers would because they do not pay health or retirement benefits.

Many Germans are as reluctant in doing the paperwork to make such craftsmen "legal" as the workers themselves are to pay insurance premiums.

One Bonn enterprise uses such workers from Poland to do all its routine maintenance and upkeep in installations that are scattered all around the city. The Poles come in teams of three or four, a month at a time. Many would return home after a month's work, one they could earn in Poland during a whole year.

Daniel Cohn-Bendit, the elected city official in charge of multicultural affairs, laughed at the labor office's raids.

"These are pathetic attempts to appear to be coming to grips with the situation," he said. "The politicians are afraid of seeming to be incapable with dealing with the situation, so they order actions like this."

Bernhard Jagoda, the director of the federal labor office in Nuremberg, said that 46,200 cases of illegal employment of foreigners had been uncovered by his office last year.

But by far the bulk of the 433,600 cases of abuse discovered by his office, Mr. Jagoda said, was made up of German workers on unemployment benefits who took jobs on the side and kept collecting unemployment insurance.

Yeltsin Leaves the Brass at Home

Reuters

MOSCOW — President Boris N. Yeltsin is taking a strong political and economic team to his summit meeting with President Bill Clinton, but is leaving his defense minister and other top brass behind.

In both Soviet times and in post-Communist Russia, the presence of top military officials has nearly always been a feature of Moscow-Washington get-togethers.

But Russian officials, speaking on Friday before Mr. Yeltsin headed off to his weekend meeting with Mr. Clinton in Vancouver, British Columbia, denied the change was linked to Moscow's power struggle.

"The composition of the president's team reflects the agenda of the summit, which is expected to focus on economic problems," said a senior official who declined to be identified.

"Don't try to link it with political situation in the country," he added.

[The White House said Friday that no Pentagon officials would attend the summit meeting.]

In theory, Vice President Alexander V. Rutskoi stands in when the president is out of Russia, but relations between the two men are at their lowest point.

As he left the airport in Moscow on Friday night, Mr. Yeltsin said he was not giving up the reins of government, even temporarily.

"I have a telephone," he said before walking out to his plane. "I will not give up the handle on government." Like the nuclear button, he added, "it stays with me all the time."

The defense minister, General Pavel S. Grachev, who will stay in Russia, has consistently declared that the armed forces will remain politically neutral. But he threw his hand in with other members of the government in supporting Mr. Yeltsin's appeal for special powers to tackle Russia's problems.

Prime Minister Viktor S. Chernomyrdin will defend the government's free market policies in Mr. Yeltsin's absence. Oleg Yel'tsin, Yeltsin's ally staying in Moscow include Interior Minister Viktor F. Yerin and Security Minister Viktor P. Baranikov.

CLINTON: Dual Sense of Urgency and Foreboding

(Continued from page 1)

line toward a more open, democratic and free-market society that will not threaten the United States.

As Mr. Clinton said in his speech in Annapolis, Maryland, on Thursday: "If Russia were to revert to imperialism or were to plunge into chaos, we would need to reassess all our plans for defense savings."

And if that happens, said Representative John R. Kasich of Ohio, the ranking Republican on the House Budget Committee, "You're

going to throw the whole Clinton economic plan into a tailspin."

The aid package that Mr. Clinton will present to Mr. Yeltsin on Saturday is tailored to help keep Russia precisely on such an upward trend line. It focuses on grassroots programs that target support for key political groups — from army officers, to farmers to emerging capitalists — on the assumption that if enough of them can be given a stake in the free market, Russia will inevitably move in that direction — no matter who is in the Kremlin.

In trying to persuade Americans to support about \$1 billion in fresh foreign aid for Russia next year, Mr. Clinton has relied heavily on economic arguments.

When asked in an interview with CBS News last week why Americans should aid Russia, the first thing Mr. Clinton said was: "America needs good customers for its products, and Russia — a free Russia — with a free economy, would prefer to do business with America over any other country. Every year we have to be looking ahead to find more and more markets for our products, because if we get drawn into the global economy, we've got to sell more to other people to keep our incomes high."

Some analysts argue, though, that Mr. Clinton, in his zeal to persuade Americans to support foreign aid for Russia because it will be good business, or because reversion to a nondemocratic Russia will hurt the U.S. defense budget, is dangerously exaggerating.

"Clinton and his people are saying deceptive things that are going to come back to haunt them," said Stephen M. Meyer, an expert on the Russian military at the Massachusetts Institute of Technology. "The fact is Yeltsin is going to go someday, and probably soon, and when he does, it is not going to be a pretty sight, and even if he stays it may not be a pretty sight. And then the right-wing in our country is going to say to Clinton, 'Well, you said it, now we need more defense spending.'"

The fact is, said Mr. Meyer, that "if Stalin himself were to come back from the grave and return to power tomorrow," he would find that he could not pose any serious military threat to the United States.

The Russian military is, he said, in disarray. The Warsaw Pact satellite alliance is gone. Ukraine made off with the best of the Soviet Union's defense industries, land force equipment and strategic rocket forces and the Russian Navy has virtually stopped all ship repairs.

Mr. Meyer added that although Russia still has its nuclear arsenal, those are purely doomsday weapons that an Russian leader is likely to deploy.

"Clinton should not have to deceive the American people to give Russia aid," Mr. Meyer said.

That is not advice that Mr. Clinton is going to take, for part of his eagerness to put an aid package on the table and demonstrate that he is aggressively supporting Mr. Yeltsin, is also to inoculate himself from any future historical finger-pointing over "Who lost Russia?"

Which is a reminder that this summit meeting is not just about showing up Mr. Yeltsin, it is also about showcasing Mr. Clinton as a world leader. After months of hiding the fact that the president was dealing with foreign policy, while he tended to his domestic budget package, his aides now see high diplomacy as a political plus.

"The Republicans scurrying about the economic plan simply don't have the stature of a president heading off to a summit with the leader of Russia," said Paul Begala, a political adviser to the president. "You look at those two images and ask yourself: 'Who are you going to trust?'"

DEBT: Repayment Terms Eased

(Continued from page 1)

afford this year was \$3.5 billion. Creditors had been demanding more than \$5 billion.

Western leaders praised the agreement as a crucial step in helping provide Mr. Yeltsin with backing for his attempt to convert the failed Russian economy from central planning to a free-market system.

"Debt relief is one of the essential elements of any rescue package for Russian democracy and economic progress," Jacques Attali, president of the European Bank for Reconstruction and Development, based in London, said in an interview.

The U.S. Treasury secretary, Lloyd Bentsen, speaking in Baltimore, called the accord a "first step in a multilateral process to support forces of democracy and economic reform in Russia." The deal, Mr. Bentsen added, should provide Moscow with access to food credits and "support Russia's drive to a market-based economy."

But analysts pointed out that the package would have little practical effect on the immediate economic situation in Russia. "The Russians weren't paying anyway," said David Roche, chief European market strategist for Morgan Stanley International in London. "This is more an international accounting solution than anything else."

Meanwhile, Mr. Yeltsin and Mr. Clinton talked by telephone on Friday, the Russian Interfax news

agency reported, about plans for their meeting this weekend in Vancouver, British Columbia.

Mr. Clinton has promised to unveil at the summit a U.S. package of assistance, which is expected to call for more than \$500 million in additional bilateral foreign aid within the next few months. That would come on top of \$700 million Mr. Clinton has already asked Congress to approve for the next fiscal year.

Foreign ministers and finance chiefs from the Group of Seven leading industrial nations are also scheduled to meet in Tokyo on April 14 and 15 to prepare a wider program of assistance for the beleaguered Russian president.

Negotiations on rescheduling Moscow's foreign debt had dragged on for more than a year, blocked in part by a bitter fight between Russia and Ukraine over how to pay the debts of the former Soviet Union. Kiev has been demanding a share of Soviet assets, including space in 36 foreign embassies and part of the Black Sea merchant fleet, before repaying the 16.34 percent share of the debt it has agreed to shoulder.

The Russian debt agreement should help unlock new loans and credits for purchases from the West that Mr. Yeltsin has been seeking in an effort to bolster his cause in the power struggle with hard-line conservatives in the Congress of People's Deputies. Mr. Yeltsin will take his case to the Russian people in a referendum April 25.

CHILDREN: Loss Is a Banality

(Continued from page 1)

get our home back." Others have no stomach for fighting. Refija Gudric, a 14-year-old girl, was left to take care of her three younger brothers in a house in Srebrenica full of refugees.

"Our father died from a bullet," she said. "It was on Jan. 8. He brought us a sack of flour that night and left again. We heard he died a few hours later."

"Our mother left as 15 days later," she said. "She went to her parents' home and didn't tell us anything except to shut the door after her."

"When the shells fell, we just sat in the basement and waited," she said.

It was a surprise shell that caught 12-year-old Samira Zahirovic, as

she went out for water behind her home in the village of Hrnici.

"A shell exploded," the thin, blonde-haired girl said. "I didn't hear anything before it blew. There was a lot of dirt and dust, and shrapnel flew into the house. I saw how the blood was spilling out of me. But it didn't hurt much."

"They carried me to the hospital in Konjevic valley," she said, referring to a makeshift clinic. "They put me to sleep and took off my leg."

"My father took me from Konjevic valley to Srebrenica in a cart," she said. "It took us two days because we went very slowly. They bombarded us on the way, and some people died."

"It is good here now," she said, referring to the dank schoolhouse where she lives. "We've got new things to wear and food. But there is nothing to do, and all I can do is sit around."

"I think all the time about how it would be if this never happened to me," she said. "I don't know who is guilty."

2 Admit to Arson At Sachsenhausen Jewish Memorial

The Associated Press

BERLIN — Two extreme rightists here have admitted taking part in an arson attack at the former Sachsenhausen concentration camp, now a Jewish memorial, a prosecutor's spokesman said Friday.

The Potsdam prosecutor's office said the two, 19 and 22, said they joined about 15 others in burning the wooden barracks at Sachsenhausen in September. The names of the two were not released.

The barracks, destroyed by the fire, housed a museum in memory of Jewish victims of the Nazis who died at Sachsenhausen.

About 120,000 inmates, mostly Jewish women, lost their lives at the camp, which later served as a Stalinist prison.

The attack was among a string of radical rightist attacks last year that embarrassed Germans, but also prompted huge demonstrations by hundreds of thousands of people throughout the nation to protest neo-Nazism.

The spokesman said the two rightists implicated each other in the attack.

GERMANS: Court to Decide

(Continued from page 1)

many must share international military burdens with its allies.

Turning to the high court, Mr. Kohl said in a television interview Friday, was "by no means a sign of weak leadership" but an attempt to resolve a dispute within his coalition.

While politicians have debated the issue endlessly, the German public appears to have grown accustomed to accepting new military responsibilities in post-Cold War Europe. Two years ago, large majorities of Germans told poll-takers that they opposed use of their military outside of its NATO obligations. Now, 53 percent of those surveyed by the Emnid polling firm approve German participation in enforcement of the flight-ban zone.

Germans make up about one-third of the crews of NATO's reconnaissance planes. Without the Germans, according to NATO's secretary-general, Manfred Wörner, the alliance would face a "very difficult situation."

When the sue-yourself compromise was agreed to last week, Foreign Minister Klaus Kinkel said: "I understand the difficulty some people have understanding all this. I have it, too."

On Friday, Mr. Kinkel was not

Mubarak Reports 'Confession' by Bombing Suspect


The Associated Press

LONDON — A suspect in the World Trade Center bombing made "sensational confessions" before he was turned over to the U.S. authorities, President Hosni Mubarak of Egypt said in an interview published Friday. Mr. Mubarak said the suspect, Mahmud Abouhalima, told Egyptian interrogators "how the operation was carried out and of those who carried it out."

Asked whether Mr. Abouhalima implicated Muslim fundamentalists linked to Sheikh Omar Abdel Rahman, a preacher at a New Jersey mosque, Mr. Mubarak told the London-based Al Hayat newspaper: "It seems so. I don't want to go further than that."

Six people were killed and more than 1,000 were wounded in the bombing at the World Trade Center in New York on Feb. 26.

Mr. Mubarak said he was "not at liberty to disclose these confessions now because U.S. investigation into the bombing is still under way." Four other suspects are under arrest, including some who attended a New Jersey mosque where the sheikh often preached.



HIGH TECHNOLOGY & PROFITABILITY FOR THE 21st CENTURY

Hong Kong, May 17-18, 1993

A major international conference co-sponsored by the International Herald Tribune and the International Chamber of Commerce.

MAY 17	MAY 18
<p>09:00 CHAIRMAN'S OPENING REMARKS Lee W. Huelber, Publisher, International Herald Tribune, Paris Harj Shankar Singhania, President, International Chamber of Commerce, and President, JKO Organization, New Delhi</p> <p>09:15 HIGH TECHNOLOGY: WHO BENEFITS? Simon Murray, Group Managing Director, Hutchison Whampoa Ltd., Hong Kong</p> <p>10:00 KEYNOTE ADDRESS Chris Patten, Governor of Hong Kong</p> <p>10:45 Coffee</p> <p>11:15 TECHNOLOGIES OF THE FUTURE: PICKING THE WINNERS Stan Shih, Chairman & Chief Executive Officer, Acer Inc., Taipei George White, Manager, Apple - ISS Research Center, Singapore Allen Wong, Chairman & Managing Director, V Tech Group of Companies, Hong Kong Chia-Huei Wou, President, The Hong Kong University of Science & Technology</p> <p>13:00 Lunch Guest Speaker: Noboru Hatakeyama, Vice-Minister for International Affairs, Ministry of International Trade & Industry, Japan</p> <p>15:00 CORPORATE ALLIANCES: MOTIVATION, RISKS AND REWARDS Yasuo Kato, Executive Vice President, NEC Corp., Tokyo Mike Monacchino, Senior Managing Director, Manufacturing & Development, IBM World Trade Asia/Pacific Group, Tokyo Tsuyoshi Kawasumi, Senior Executive Vice President, Toshiba Corp., Tokyo</p> <p>16:30 Tea</p> <p>16:45 CORPORATE ALLIANCES: MAKING THEM WORK Young Su Kim, Corporate Vice President, Samsung Electronics Co Ltd., Seoul Denny Ko, President, Taiwan Aerospace Corp., Taipei Mikio Ohtsuki, Executive Vice President, Fujitsu Ltd., Tokyo</p> <p>18:30 Cocktails</p>	<p>08:45 THE GLOBAL SHIFT TO ASIA: THE IMPLICATIONS FOR INTERNATIONAL FINANCE, TECHNOLOGY AND THE WORLD ECONOMY Kenneth S. Courtis, First Vice President, Deutsche Bank Capital Markets (Asia) Ltd., Tokyo</p> <p>09:15 FINDING THE MONEY: THE ROLE OF GOVERNMENTS AND THE PRIVATE SECTOR Otho C. Li, President, Industrial Technology Research Institute, Taipei John Strickland, Executive Director Services, HSBC Holdings plc, London Peter G. Wolff, Vice President, Asian Technology Research, Koller Peasbody & Co Inc., Tokyo</p> <p>10:30 Coffee</p> <p>11:00 CHINA: A MAJOR HI-TECH PLAYER IN THE 21st CENTURY? Zhu Lilian, Vice Chairman, State Science and Technology Commission, Beijing Lee S. Ting, Managing Director, North-East Asia Operations, Hewlett Packard Asia Pacific Ltd., Hong Kong Chia-Huei Wou, President, The Hong Kong University of Science & Technology</p> <p>12:15 DEVELOPING COUNTRIES: THEIR PLACE IN THE MARKET Prof. Dr. B. J. Habibie, Minister for Research & Technology, Indonesia R. A. Mashelkar, Director, National Chemical Laboratory, India Irwin Jay Robinson, President, Vietnam-American Chamber of Commerce, and Senior Partner, Phillips, Nizer, Benjamin, Kim & Ballou, New York</p> <p>13:30 Lunch</p> <p>14:30 SATELLITES OVER ASIA: THE POLITICAL, SOCIAL AND ECONOMIC IMPLICATIONS Brent Harman, Group Chief Executive, Television New Zealand Ltd. Julian Moomter, President & Chief Executive Officer, Star TV, Hong Kong</p> <p>15:30 INNOVATION AND HIGH TECHNOLOGY IN ASIA: THE WAY AHEAD Tadaaki Chigusa, Director, McKinsey & Company Inc., Tokyo</p> <p>18:00 Close of Conference</p>

REGISTRATION INFORMATION: The fee for the conference is US\$95.00. This includes lunches, the official reception and all conference documents. Fees are payable in advance and will be refunded less a US\$100.00 cancellation charge for any cancellation received in writing on or before April 30, after which time we regret there can be no refund. We are able to offer a limited number of places at a special rate of US\$85.00 for ICC members and members of the HKGCC.

REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Susan Smith, International Herald Tribune, 7th Floor, Malaysia Building, 30 Gloucester Road, Hong Kong. Tel: (85 2) 861 0618. Fax: (85 2) 861 3073.


Enclosed is a check for US\$95.00/US\$85.00 made payable to the International Herald Tribune Please invoice

4-493

The program has been organized in association with The Hong Kong General Chamber of Commerce.

CONFERENCE LOCATION: The Regent Hotel, Satchell Road, Kowloon, Hong Kong. Tel: (852) 721 1211. Fax: (852) 729 4548.

CONFERENCE SPONSORS:



Title (Dr. Mr. Mrs. Ms. Miss) _____ First Name _____

Family Name _____

Position _____

Company _____

Address _____

City _____ Country _____

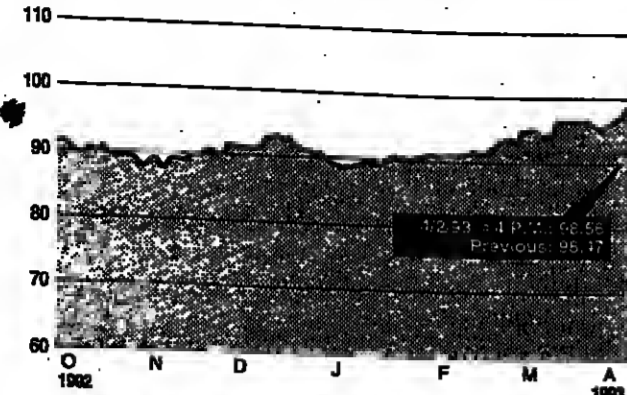
Telephone _____ Fax _____

It's easy to subscribe in Hong Kong just call 175 77 35



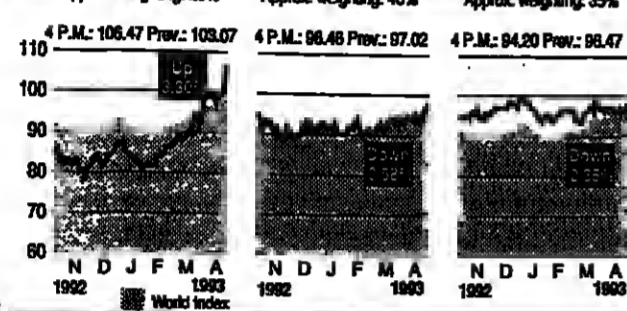
THE TRIB INDEX: 98.56

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific Europe N. America



Industrial Sectors

Table with 3 columns: Sector, Pct. of Index, Pct. Change. Rows include Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Chatelet de Gaulle, 92521 Neuilly Cedex, France.

Opel Gets Order to Prevent VW Raids

By Ferdinand Protzman

BONN — Adam Opel AG was granted a temporary injunction Friday by a Frankfurt district court prohibiting Volkswagen AG from trying to systematically hire away employees from the General Motors Corp. subsidiary.

The injunction was issued one day after David J. Herman, Opel's chairman, took the extraordinary step of accusing Volkswagen and Jose Ignacio Lopez de Arriortua, its new head of production and purchasing, of trying to disrupt Opel by wholesale raiding of its executive ranks.

Friday's action escalated that conflict. The injunction will stay in effect until the judge issues a final ruling in the case, which could take months. The penalty for violating the injunction is a fine of 500,000 Deutsche marks (\$309,900) or six months in prison.

Mr. Lopez, a Spanish industrial engineer known as a cost-cutter, seems an unlikely candidate to be at the center of a car war. Hired in March from GM's Detroit headquarters, he is credited with slashing component costs by hundreds of millions of dollars. The same task has been given to him at Volkswagen, where production costs are among the highest in the industry.

Eight managers from Opel's purchasing department have left to join Volkswagen since Mr. Lopez joined the company. Mr. Herman said about 40 other managers had been repeatedly approached by Volkswagen head-hunters.

Gerd Becht, Opel's general counsel, said the company had presented "20 affidavits from employees who have been approached by Volkswagen to the court today. The court examined that evidence and felt it warranted issuing the injunction. I don't know if Volkswagen can challenge it. We have seen injunctions stand for two years."

Volkswagen was clearly surprised by the action and is expected to challenge the injunction.

Opel is also concerned that Mr. Lopez may not be adhering to an agreement not to reveal GM's trade secrets. Mr. Herman said Mr. Lopez had been "asked to confirm in writing that he had respected his previous contractual obligations concerning proprietary information" and that he had not taken any documents "pertaining to the present and future corporate plans of his former company."

Can Italy Be Reinvented? As Old Order Falls, Some See a New Start

By Laura Colby

Italy's growing corruption scandals are creating payment bottlenecks and a cash crunch for Italian companies and keeping foreign investors away, analysts and business leaders said this week.

The effects of the scandals are all the more severe because they come as the country is trying to cope with a plummeting currency that hit new lows yet again Friday, as well as the recession that has hit most of Europe and a crushing national debt that is driving up the cost of borrowing for businesses.

And although analysts say that in the long run the current upheaval may result in positive changes in the country's business environment, they say it may be a year or more before a leadership emerges that can put them into effect.

"The changes going on in Italy are as revolutionary as the ones taking place in Russia or Czechoslovakia," says Dan Newman, a partner at the consulting firm Ernst & Young in Brussels. "They need to find a whole new class of politician and businessman. So many people have been tainted by these scandals that it's hard to say who the new leaders will be."

With many of Italy's decision-makers in jail or under investigation, domestic dealings that in any way touch state concerns have ground to a halt, executives and consultants say.

"There is a payments crisis that is having a knock-on effect throughout the system. The state companies can't pay their suppliers, the suppliers can't pay their banks, and so on," said Innocenzo Cipolletta, director general of Confindustria, the Italian employers confederation. "No one had expected such a complete collapse of the public sector."

Several international bankers, who once counted

state-backed companies as clients, said this week that their institutions had refused loans to some companies involved in the scandals. And when they did get credit, even the top Italian companies are paying high interest rates of around 14 percent, analysts say.

Construction contracts, in particular, have been affected by the slowdown because that is the field in which the kickback scandal first broke.

But the effects are being felt all the way up to the Italian government, which may have to pay even higher rates on its huge debt.

Moody's Investor Service Inc. has put Italian debt on its watch list for a possible downgrading from the current Aa-3 level. The next lowest rating, of single-A, is below investment grade for some international pension funds and could force them to sell their holdings, analysts said. Although foreigners own less than 5 percent of Italy's government debt, that still works out to more than \$40 billion.

The government's privatization program appears to be going ahead for now, participants said. But a change in the ruling coalition — particularly one that included the former Communist Party, now called the Democratic Party of the Left — could slow that down, political analysts warn.

Many foreign investors are awaiting the outcome of an April 18 referendum aimed at streamlining the electoral system in the Senate. That could pave the way for national elections this year.

"A lot of foreign companies want to see more stabilization in the economic environment before they commit themselves to investing in Italy," said Michele Marzola, a principal of Booz-Alien & Hamilton in Milan. "I don't expect there to be any

See ITALY, Page 11

KLM Backing Merger Among European Lines

By Barbara Smit

Special to the Herald Tribune

AMSTERDAM — KLM Royal Dutch Airlines said Friday that it was seeking a merger with the three other European carriers with which it has been discussing an alliance, and the deal could lead it to abandon its 20 percent stake in Northwest Airlines.

"The four airlines could be fully integrated in 1997," said Hans Leijte, a KLM spokesman. Last week, executives of KLM, Scandinavian Airlines System, Swissair and Austrian Airlines said they were close to a decision about pursuing a full merger.

The companies first announced talks for far-reaching collaboration in January, but the Dutch carrier has always denied reports that the airlines were discussing more than an alliance.

All four partners have now agreed that a full merger offers the best opportunities to reduce costs, according to Dutch newspapers, quoting Leo van Wijk, the KLM managing director.

The combination would rank among the three largest European airlines, controlling nearly 20 percent of the European market, with

revenue of about \$13 billion, aviation analysts said.

Over the last weeks, 16 working groups have been investigating ways of setting up a close collaboration in a European Quality Alliance next year. The four airlines are expected to announce details in May.

However, political obstacles will make a full merger impossible for the next three years, said Mr. Leijte. The issue of the landing rights, negotiated in bilateral agreements between national authorities, is seen as the largest hurdle.

"The question is whether these landing rights will still apply if there is a merger," explained Richard Brakenhoff, transport analyst at Pierson, Helderling & Pierson.

On the other hand, Mr. Van Wijk was quoted as saying the four potential partners had already agreed to abandon their participations in competing American carriers to pave the way for the full alliance.

KLM invested \$400 million to purchase a 20 percent stake in the ailing Northwest in 1989, while SAS has sealed an alliance with Continental, and Swissair with Delta Airlines. However, "KLM would be prepared to drop Northwest," said Mr. Van Wijk.

Pieter Wellhimer, another KLM spokesman, confirmed the Northwest stake could be divested if it would help bring about a European merger. "We're open for anything that would help to make a success of the combination," he said.

Swissair and Delta have 4.5 percent cross-holdings whose future is now in doubt.

Flavio Cereda, an analyst at Barclays de Zoete Wedd, said the European grouping seemed logical. "In theory, a full merger makes a lot of sense," he said, adding, "But in practice, it's not an easy thing to do."

National pride sentiments, which caused the collapse of merger talks between KLM and British Airways last year, could prove difficult to overcome, he added.

"But eventually, it's a matter of survival," said Mr. Cereda. "It will be either a full merger or very, very, very close collaboration."

Other Carriers Cautious

Swissair said no decision had been taken on the form of potential cooperation or partnership among the four European airlines. AFF-Exel News reported from Zurich.

A Swissair spokesman said the 16 working groups were investigating possible areas of cooperation and their reports were likely to be delivered to "upper levels" by mid-year.

ECONOMIC SCENE

Free Trade Cannot Solve Problem of Slow Growth

By Alan Wheatley

PARIS — Trans-Atlantic trade spats and a vow by Jacques Chirac, the French Gaullist leader, to renegotiate farm-trade accords are concentrating minds on the economic threat of a drift into protectionism. But in a provocative recent paper, Jean Baneth of the World Bank argues that industrialized countries have such low trade barriers that they stand to gain little from further liberalization.

"As manufacturing sectors are already open, further opening, even radical, cannot give much impetus to efficiency or acceleration to growth," he wrote in "Fortress Europe and Other Myths Concerning Trade." "In agriculture, there is much room for trade liberalization, but the low trade protection such an impetus coming from it."

Mr. Baneth, writing in a personal capacity, asks: If perfectly free trade is the elixir of growth, why then did liberalization in the 1980s coincide with falling growth rates and heightened malaise?

Ever freer trade would be desirable. Sheltering domestic producers from imports is clearly not the way to greater efficiency. But Mr. Baneth contends that what is even more important is to consolidate past trade gains. And that cannot be done unless policymakers re-establish the conditions for faster growth.

"Unless a solution is found, and put into practice," Mr. Baneth warns, "trade barriers may well rise in reaction to perceived and actual difficulties and, by rising, aggravate them."

Clearly, the cries for protection in the European Community would not be as loud if growth was more robust. Instead of looking solely to further trade liberalization for solutions, Mr. Baneth advises governments to look at macroeconomic policies and internal obstacles to growth.

In particular, Mr. Baneth shows that the Community is far from being a fortress. Whereas intra-Community trade in manufactured goods grew by 139 percent in the 1980s, imports from outside rose 155 percent. Over the same period, the Community's own production grew just 59 percent.

"Far from slowing down after the proclamation of the Single European Act, the growth in manufactured imports into the EC actually accelerated after 1985," Mr. Baneth said.

Hermès Stock Likely to Be A Luxury Item

By Brandon Mitchener

International Herald Tribune

FRANKFURT — Daimler-Benz AG, Germany's largest company, said Friday that it would merge with Mercedes AG Holding, its second-largest shareholder, in a "significant strategic move" that will sharply dilute the value of Daimler's shares.

By the end of the year, the company said, shares in Mercedes Holding are to be replaced one-for-one with Daimler-Benz shares, which have traditionally traded at a 20 to 30 percent premium. That means the value of Daimler-Benz shares will be diluted and that of Mercedes Holding's shares will rise.

After the stock exchange had closed, Daimler shares dropped in electronic trading to 599 Deutsche marks (\$370), from an official close of 610.50 DM. Mercedes Holding shares, which are not traded electronically, closed at 490.50 DM.

Friedrich Lisch, Daimler's chief spokesman, said in a telephone interview that the move was "of considerable importance" and reflected the company's strategic goal of internationalizing its shareholder base.

Daimler Shuffles Holdings

By Brandon Mitchener

International Herald Tribune

Mercedes Holding was formed 17 years ago to prevent the possibility of a hostile foreign takeover, Mr. Lisch said, and fulfilled its sole purpose of placing 25.23 percent of Daimler shares with German institutional investors. In nominal terms, these shares currently amount to around 587.5 million DM. Daimler shares are worth 2,529 trillion DM in nominal terms.

Daimler's largest shareholder is Deutsche Bank AG, with about 28 percent of the company's share capital. Kuwait, with 14 percent, is the third-largest shareholder after Mercedes Holding.

The number of shares issued by Mercedes Holding has always corresponded with the number of Daimler shares, and Mercedes Holding has always paid the same dividend. Mercedes Holding shares are traded on the eight German stock exchanges as well as in Zurich, Basel, Geneva and Vienna.

Daimler shares are traded in several other financial capitals as well, including Tokyo and London.

Also Friday, Daimler said it planned to convert all its outstanding preferred shares to ordinary shares and abolish preferred shares. The company confirmed earlier reports that it would maintain its dividend for 1992 at 13 DM, despite a decline in net profit to 1.45 billion DM, from 1.94 billion DM. Because of accounting changes involving its planned listing in New York, Daimler will report extraordinary profit of 4.49 billion DM.

Mercedes Holding has always responded with the number of Daimler shares, and Mercedes Holding has always paid the same dividend. Mercedes Holding shares are traded on the eight German stock exchanges as well as in Zurich, Basel, Geneva and Vienna.

Daimler shares are traded in several other financial capitals as well, including Tokyo and London.

Also Friday, Daimler said it planned to convert all its outstanding preferred shares to ordinary shares and abolish preferred shares. The company confirmed earlier reports that it would maintain its dividend for 1992 at 13 DM, despite a decline in net profit to 1.45 billion DM, from 1.94 billion DM. Because of accounting changes involving its planned listing in New York, Daimler will report extraordinary profit of 4.49 billion DM.

The number of shares issued by Mercedes Holding has always corresponded with the number of Daimler shares, and Mercedes Holding has always paid the same dividend. Mercedes Holding shares are traded on the eight German stock exchanges as well as in Zurich, Basel, Geneva and Vienna.

Daimler shares are traded in several other financial capitals as well, including Tokyo and London.

Also Friday, Daimler said it planned to convert all its outstanding preferred shares to ordinary shares and abolish preferred shares. The company confirmed earlier reports that it would maintain its dividend for 1992 at 13 DM, despite a decline in net profit to 1.45 billion DM, from 1.94 billion DM. Because of accounting changes involving its planned listing in New York, Daimler will report extraordinary profit of 4.49 billion DM.

The number of shares issued by Mercedes Holding has always corresponded with the number of Daimler shares, and Mercedes Holding has always paid the same dividend. Mercedes Holding shares are traded on the eight German stock exchanges as well as in Zurich, Basel, Geneva and Vienna.

Daimler shares are traded in several other financial capitals as well, including Tokyo and London.

Also Friday, Daimler said it planned to convert all its outstanding preferred shares to ordinary shares and abolish preferred shares. The company confirmed earlier reports that it would maintain its dividend for 1992 at 13 DM, despite a decline in net profit to 1.45 billion DM, from 1.94 billion DM. Because of accounting changes involving its planned listing in New York, Daimler will report extraordinary profit of 4.49 billion DM.

The number of shares issued by Mercedes Holding has always corresponded with the number of Daimler shares, and Mercedes Holding has always paid the same dividend. Mercedes Holding shares are traded on the eight German stock exchanges as well as in Zurich, Basel, Geneva and Vienna.

Daimler shares are traded in several other financial capitals as well, including Tokyo and London.

Also Friday, Daimler said it planned to convert all its outstanding preferred shares to ordinary shares and abolish preferred shares. The company confirmed earlier reports that it would maintain its dividend for 1992 at 13 DM, despite a decline in net profit to 1.45 billion DM, from 1.94 billion DM. Because of accounting changes involving its planned listing in New York, Daimler will report extraordinary profit of 4.49 billion DM.

CALL FOR LESS. Tired of being charged two or three times US rates for international calls? Sick of hotels that add 50% or more to every phone call? Fed up with telephone credit cards that add two or three dollars to every call? Shocked to check out of a hotel and find your phone bill larger than your hotel bill? KALLBACK beats the high cost of making calls from hotels and from abroad. Save over 50%! With KALLBACK all you do is dial an assigned number, let it ring once and hang up. Our computer calls you right back, asks for you by name and connects you to a U.S. dial tone giving you the world's highest quality digital fiber optic service at the world's lowest prices. KALLBACK DIRECT. Call: (1) 206-286-5280 FAX: (1) 206-282-6666 417 2nd Ave. West • Seattle, WA 98119 USA

PREQUALIFICATION NOTICE RURAL HEALTH SERVICES PROJECT, LESOTHO REHABILITATION OF DISTRICT HOSPITALS. The Government of the Kingdom of Lesotho has applied for financial assistance from the African Development Fund (ADF) to finance the rehabilitation of the Government district hospitals in Lesotho. The rehabilitation will include the construction work of Berea, Mokhotlong and Qacha's Nek hospitals. Participation in bidding is open to contracting firms from all participating states of ADF and member countries of the African Development Bank. Invitations for tenders are expected to be issued in June 1993. All contracting firms wishing to be prequalified for participation in the bidding for the above rehabilitation works are invited to submit completed prequalification questionnaires to the address below not later than 17th May, 1993. The Principal Secretary Ministry of Health P.O. Box 7429 MASERU 100 LESOTHO. Prequalification questionnaires and further information may be obtained free of charge from the following: Project Coordinator Rural Health Services Project P.O. Box 7429 MASERU 100 LESOTHO. Tel: 09-266-312468 Fax: 09-266-310041 Telex No. 485710

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Money Rates, Forward Rates. Includes data for various currencies and interest rates.

FORCE CASH. Société d'Investissement à Capital Variable 20, Boulevard Emmanuel Servais L-2585 Luxembourg. AVIS AUX ACTIONNAIRES DE FORCE CASH. Il est porté à la connaissance des actionnaires de FORCE CASH que: - le patrimoine de la Société comprend un compartiment de plus: FORCE CASH TRADITIONNEL BEF. - le compartiment FORCE CASH TRADITIONNEL CHF sera ouvert au public du 19 avril au 22 avril 1993. - la Valeur Nette d'Inventaire est désormais calculée chaque lundi pour les compartiments TRADITIONNEL et ce à partir du lundi 29 mars 1993. Pour le Conseil de FORCE CASH. Herald Tribune. LIVING IN THE U.S.? NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES TO SUBSCRIBE, CALL 1-800-882-2884 (IN NEW YORK, CALL 212-752-3890)

Philip Morris Woes Batter Wall Street

NEW YORK — Wall Street stocks tumbled late Friday, depressed by bad news from Philip Morris Cos., weak employment data and rising bond yields.

The Dow Jones industrial average fell 68.63 points, to 3,370.81, while declining issues on the New York Stock Exchange outnumbered

advancers by more than a 4-to-1 ratio. About half of the Dow's decline was caused by the fall in Philip Morris, which lost 14% to 49%.

The company told analysts its tobacco earnings would fall about 40 percent after it cut the price of its Marlboro brand of cigarettes.

Richard Hoey, chief economist and portfolio manager at Dreyfus Corp., said the report "confirmed the signs of cooling in the economy that we already saw from some other

data, including the purchasing managers survey and consumer confidence survey" released this week.

Stocks were also responding to a drop in bond prices that was triggered by inflation fears. The 30-year Treasury bond yielded 7.05 percent, rising above 7 percent for the first time since late February. It ended at a 6.96 percent yield on Thursday.

The bond market was unswayed by the March jobs report because it included a 5-cent increase, to \$10.80, in the adjusted average hourly earnings, which have increased at an annual rate of 4 percent this year.

Wage increases account for about 60 percent of inflation. Gold prices added to their recent gains on inflation fears, with the Commodity Exchange spot price up \$2.20 an ounce, to \$340.90.

Philip Morris, the most-active New York Stock Exchange issue, was a bad influence on the tobacco sector. RJR Nabisco, which was second-most-active, slumped 14 to 63% and was followed by RJR preferred, which lost 1 to 8.

Several major computer companies were hit in over-the-counter trading. Intel fell 4 to 107%. Microsoft dropped 3% to 89%. Apple shed 1% to 50% and Novell lost 1% to 30%.

inflation, and still below the 0.6 percent gain of in November, when the third-quarter surge in growth began, only to taper off at the turn of the year.

The Labor Department warned that the March figures were heavily affected by the "Blizzard of the Century" that raked the East Coast last month and the heavy rains in California that ended a long West Coast drought.

Strong support for this was seen in a loss of 59,000 construction jobs, reversing February's sharp increase of 96,000 after several months of decline.

Jobs in manufacturing, the retail trade and government fell by only 7,000 to 12,000. But a 60,000 gain in service jobs extended recent trends, with more than half hired by companies in the field of "personal supply," which then farm them out as temporary workers.

Other possible weather-related declines were the shrinkage in the average manufacturing work week from 41.2 hours from 41.5 after several months of steady growth. Factories were stalled and offices blocked for several days in mid-March by heavy rains in the south and snowdrifts in the Northeast.

Foreign-exchange analysts see the dollar softening next week as weak U.S. fundamentals and technical factors, Knight-Ridder reported.

The U.S. dollar seceded against major foreign currencies in active trading Friday, dropping in Europe

The Dow

Daily averages of the Dow Jones Industrial Average



Source: Dow Jones & Co.

NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, Last, and Change.

AMEX Most Actives

Table listing AMEX Most Actives with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Table listing NYSE Diary with columns for Advance, Decline, Total Issues, and High/Low.

AMEX Diary

Table listing AMEX Diary with columns for Advance, Decline, Total Issues, and High/Low.

Previous NASDAQ Diary

Table listing Previous NASDAQ Diary with columns for Advance, Decline, Total Issues, and High/Low.

Dow Jones Averages

Table listing Dow Jones Averages with columns for Open, High, Low, Last, and Change.

Standard & Poor's Indexes

Table listing Standard & Poor's Indexes with columns for Industry, High, Low, Last, and Change.

NYSE Indexes

Table listing NYSE Indexes with columns for Composite, High, Low, Last, and Change.

NASDAQ Indexes

Table listing NASDAQ Indexes with columns for Composite, High, Low, Last, and Change.

AMEX Stock Index

Table listing AMEX Stock Index with columns for Composite, High, Low, Last, and Change.

Dow Jones Bond Averages

Table listing Dow Jones Bond Averages with columns for 20 Bonds, High, Low, Last, and Change.

Market Sales

Table listing Market Sales with columns for NYSE 3 m. volume, NYSE adv. issues, NYSE decl. issues, and NYSE net issues.

N.Y.S.E. Odd-Lot Trading

Table listing N.Y.S.E. Odd-Lot Trading with columns for Month, Buy, Sell, and Short.

S&P 100 Index Options

Table listing S&P 100 Index Options with columns for Month, Buy, Sell, and Short.

EUROPEAN FUTURES

Clear High Low Prev. Close

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Metals

Table listing European Futures - Metals with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

Grains

Table listing European Futures - Grains with columns for Month, High, Low, Last, and Change.

Livestock

Table listing European Futures - Livestock with columns for Month, High, Low, Last, and Change.

Food

Table listing European Futures - Food with columns for Month, High, Low, Last, and Change.

GERMAN GOVERNMENT BOND (LIPPE)

Table listing German Government Bond (LIPPE) with columns for Month, High, Low, Last, and Change.

Industrials

Table listing German Government Bond (LIPPE) Industrials with columns for Month, High, Low, Last, and Change.

Stock Indexes

Table listing German Government Bond (LIPPE) Stock Indexes with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Dividends

Table listing German Government Bond (LIPPE) Dividends with columns for Month, High, Low, Last, and Change.

Commodity

Table listing German Government Bond (LIPPE) Commodity with columns for Month, High, Low, Last, and Change.

Tokyo Trade at 3-Year High

TOKYO — Japanese stock trading volume surged to its highest level in more than three years on Friday in hectic activity that was reminiscent of the "bubble" years of the late 1980s.

Turnover on the first section of the Tokyo Stock Exchange reached 1.6 billion shares, the highest since Nov. 29, 1989, when the Nikkei average of 225 leading stocks was at nearly twice its current level.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

The average rose more than 600 points last week, the latest leg of a four-week, 2,500-point rally fueled by Japanese individual investors and foreign fund managers.

Fed Sees Signs of Pickup in Lending

WASHINGTON (Knight-Ridder) — U.S. banks have shown "tentative" signs of increased lending in recent months and a slowdown in purchases of securities, a Federal Reserve Board member, John LaWare, said Friday.

In prepared text for testimony to a House banking subcommittee on credit formation, Mr. LaWare said he also expected banks to pick up lending as demand for credit rose. However, he added that there had been "little evidence" that banks were easing loan standards.

"The steps banks have taken in recent months to rebuild their balance sheets have been considerable and may well augur an increase in the availability of bank credit," Mr. LaWare said. "Banks are very liquid and lending rates relative to funding costs appear quite favorable."

Mr. LaWare said he expected the administration's recent efforts to increase lending to small businesses to succeed.

Ruling Lets Dean Witter Issue Visa

SALT LAKE CITY (AP) — A federal judge has refused to overturn a jury's decision to let Dean Witter, Discover & Co. issue a new Visa credit card. The ruling late Thursday by U.S. District Judge Dee Benson, upholds a jury verdict in November that Visa USA violated federal antitrust laws.

Dean Witter, once owned by Sears Roebuck & Co. but now a public company, sued Visa for refusing to let it issue Visa cards through a small Utah unit it owns called Mountain West Financial.

A Visa spokesman, David Bransell, said that while the company had not reviewed the judge's 107-page decision, it would seek an appeal. Visa contends Discover is a direct competitor.

FCC Reverses Its Ruling on Reruns

WASHINGTON (NYT) — The Federal Communications Commission has reversed itself and said television networks should be allowed to own rerun rights to the prime-time shows they carry — a move that infuriated Hollywood producers.

In a long-sought victory for ABC, NBC and CBS, the FCC on Thursday reversed a decision it made two years ago and ruled that the networks should not be restricted from owning a financial stake in the programs they broadcast.

The FCC also set the stage for eliminating rules that limit the ability of networks to market actively the rerun rights to hits like "The Cosby Show" and "Roseanne." These syndication rights are typically the most profitable part of television production, and have generated hundreds of millions of dollars of revenue for especially successful shows like "MASH."

Stone Container Stock at 2-Year Low

NEW YORK (Bloomberg) — Stone Container Corp. stock plunged Friday to its lowest price in two years after the debt-laden company said it planned to raise \$800 million through stock and bond offerings.

Shares of the third-largest U.S. paper company were down \$3.50 to \$9.625. About 2.2 million shares were traded, more than five times the average daily trading in the past three months. Stone disclosed in a filing with the Securities and Exchange Commission that it would sell \$300 million in stock and \$300 million in bonds.

In Washington, a former employee of Michael R. Milken settled with the SEC on charges of aiding in a scheme to boost the price of Stone stock. Without admitting or denying any wrongdoing, Pamela Monzer, who was an assistant equities trader in Drexel Burnham Lambert's high-yield and convertible bond department, agreed to a permanent injunction.

For the Record

Columbia Gas System Inc. has been granted an extension, until July 23, of the exclusivity period for filing a reorganization plan by U.S. Bankruptcy Court.

Anheuser-Busch Inc. has announced a deal with Italy's largest brewer, Birra Peroni Industriale SPA, to sell Bud in Italy. Busch's export arm, Anheuser-Busch International, said the British brewer Courage would produce Bud, then ship it to Italy, where Peroni will bottle it. (UPI)

WORLD STOCK MARKETS

Agencia France Press April 2

Table listing World Stock Markets - Amsterdam with columns for Close, Prev., and Change.

Table listing World Stock Markets - Helsinki with columns for Close, Prev., and Change.

Table listing World Stock Markets - Hong Kong with columns for Close, Prev., and Change.

Table listing World Stock Markets - Brussels with columns for Close, Prev., and Change.

Table listing World Stock Markets - Frankfurt with columns for Close, Prev., and Change.

Table listing World Stock Markets - Johannesburg with columns for Close, Prev., and Change.

Table listing World Stock Markets - Madrid with columns for Close, Prev., and Change.

Table listing World Stock Markets - Milan with columns for Close, Prev., and Change.

Table listing World Stock Markets - London with columns for Close, Prev., and Change.

Table listing World Stock Markets - Paris with columns for Close, Prev., and Change.

Table listing World Stock Markets - Sao Paulo with columns for Close, Prev., and Change.

Table listing World Stock Markets - Singapore with columns for Close, Prev., and Change.

Table listing World Stock Markets - Zurich with columns for Close, Prev., and Change.

Table listing World Stock Markets - Tokyo with columns for Close, Prev., and Change.

Table listing World Stock Markets - Stockholm with columns for Close, Prev., and Change.

Table listing World Stock Markets - Montreal with columns for Close, Prev., and Change.

Table listing World Stock Markets - Toronto with columns for Close, Prev., and Change.

U.S. FUTURES

Via Associated Press April 2

Table listing U.S. Futures - Grains with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Metals with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Livestock with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Food with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Grains with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Livestock with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Food with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Grains with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Livestock with columns for Month, High, Low, Last, and Change.

Table listing U.S. Futures - Food with columns for Month, High,

THE MONEY REPORT

FIRST COLUMN

Hope, Faith And a Dose Of Reality

IN France this week, as in America last November, the people voted for "real change," dumping the party in power. Just when it seemed safe to be cynical about politics again, hope is back in fashion. Look at how these events moved the markets: French stocks rose in the two weeks since it became clear the right would take charge of the National Assembly, and the franc is up against the dollar and Deutsche mark in the hope that stronger ties with Germany will restore momentum to plans for European monetary union. In the United States, the markets are three-for-three since the election, with stocks, bonds and the dollar rising in the belief that Bill Clinton can cut the federal deficit without cutting economic growth. Has the public, in both countries, sprouted faith in its new leaders so soon after disposing of the last batch? After all, the chronic unemployment, anemic or negative economic growth and other ills remain. And the means to deal with them are fewer than in past economic crises. A survey of American investors (summarized in Briefcase) suggests they know well what they're up against. About three-fourths say they plan to save more for retirement. Why? They fear the government will not have "adequate resources to meet the needs of its people" in the year 2000. Their misgivings have not stopped them, however, from committing money, at unprecedented rates, to the markets. They are investing in the same system they are trying to protect themselves from. It always takes a little faith to invest money, there being no sure things, as they say. But the best results come when hope is tethered to reason. The leap of faith needed to invest when reason might encourage standing aside can be very dangerous. Excess faith is usually dissipated in market corrections, or worse. The faithful lose heart and prices return to more realistic levels. This may happen when "real change" fails to materialize and the statesmen of today fall from grace. It is always possible that in this instance, reality can rise to meet expectations; that faith will be rewarded with manageable deficits, more jobs, currency stability, sustained growth. Hope so, anyway. C. de A.

Market Bears Growl That the End Is Nigh

By Conrad de Aenlle

IT CAN be lonely waiting for chickens to come home to roost, all the more so when their time away from the coop stretches on past five years. During that period, American stocks have doubled by many measures, trading just a hair under all-time highs earlier this week. Still, a band of high-profile, persistently gloomy investment advisers beaten up by the market's advance keep their vigil. While some of their complaints have gone over to the bulls, they remain optimistic in their pessimism and patiently wait for the tunnel to appear at the end of the light. Because time is money, especially in the investment business, the wait can be costly. Over the last five years, subscribers who followed the advice of three prominent newsletters that have stubbornly maintained a bearish stance have substantially underperformed the market. By the accounting of Mark Hulbert, whose Hulbert Financial Digest tracks the performance of investment newsletters, the four equity portfolios of The Elliott Wave Theorist and Stockmarket Cycles showed returns ranging from a loss of 63.6 percent to a gain of 70.7 percent in the five years through 1992. During that period, the Wilshire 5,000 index, a very broad measure of the American stock market, gained 109 percent. The third advisory letter, The Overpriced Stock Service, which Mr. Hulbert has tracked for three years, shows a loss of 82.2 percent over that span, compared with a gain of 37.2 percent for the Wilshire 5,000. Those are miserable numbers, especially given the new highs being set in just about every major U.S. stock index, but the letter writers can still find something horrible to feel good about. "It's the best of times and the worst of times," said Michael Murphy, editor of The Overpriced Stock Service. "There are tremendous opportunities out there because there are so many overvalued stocks. This is an institutionally dominated market focused on momentum stocks," those driven higher by consistently stronger earnings. "If anyone has a [negative] earnings report, the market just shells the stock." He cited the health care and biotechnology groups as examples. Finding those groups that are priced higher than they have any right to be is what Mr. Murphy intends to do. He is not a market

timer and will not recommend stocks to buy when he thinks the market is near a bottom. "We represent diversification to a lot of people," he explained. "It's like gold: you expect to go down in a good [stock] market and cash in when the market goes down." Peter Eliades, editor of Stockmarket Cycles, notes that for all the hoopla accompanying the new highs, the market has not risen very far since the summer of 1987, when it hit a short-term peak and began a drop that took the Dow Jones industrial average down about 1,000 points in three months. "The interesting thing is if you look just at the Dow, we really haven't gone anywhere," he said. He confesses to being out of the market for all but a few brief (and profitable) periods since the post-crash low, but he points out that he got out before the crash, too, so basically it's a wash. "There's a big difference between a missed opportunity and being long in the stock market when it goes down." He added that he has recommended other trades from time to time that readers could profit by. For instance, a brief foray into gold funds was recently closed out with a 10 percent gain. Robert Prechter, editor of The Elliott Wave Theorist, also got out of the market before the crash. Since then, he has occasionally recommended positions for traders, usually short sales, and has encouraged less speculative investors to hold Treasury bills. Investors have shown a small five-year gain. Mr. Hulbert's figures show; traders have a substantial loss. David Allman, director of research for Elliott Wave International, which publishes Mr. Prechter's newsletter, does not dispute the numbers, but he notes that profitable calls were made for a number of other investment areas, such as real estate and Japanese shares. "People have been more hurt by being caught on the wrong side of the real estate market than have made money by staying in the stock market since 1987," he said. "If you really look at the U.S. stock market, it's like taking a look at one stock that an analyst picked out of a hundred. While we would certainly love to be perfect, we're quite content with what we've done." Staying away from the herd has been good to Mr. Prechter and Mr. Eliades in the past. They made names for themselves and earned enthusiastic followings by forecasting the 1980s bull market back in the late 1970s, when titles like "How to Cope With the Coming Financial Apocalypse" cluttered bookstore shelves. Each predicted moves to



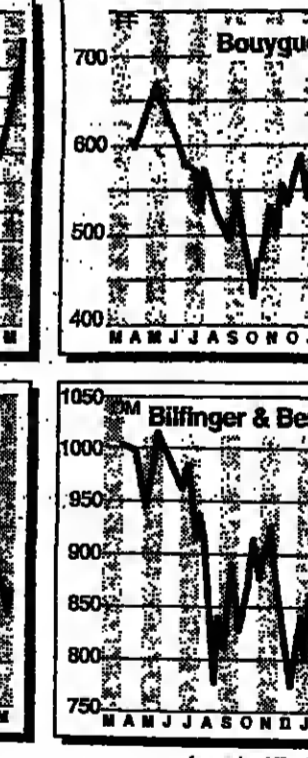
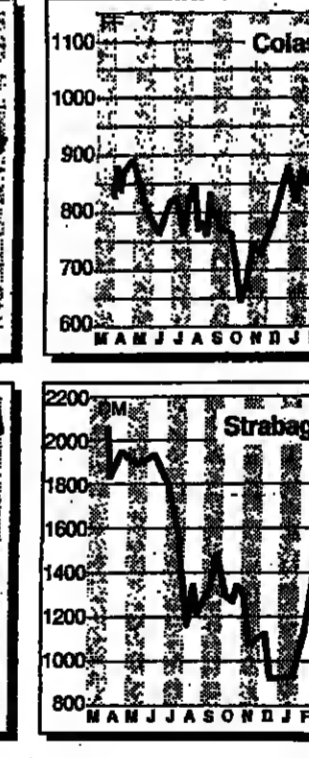
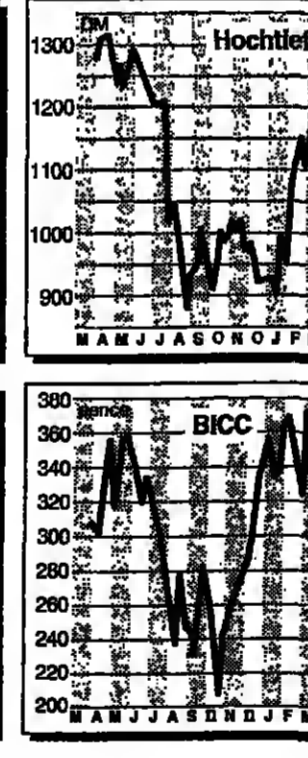
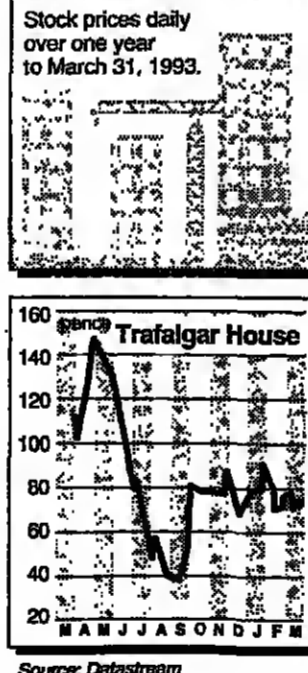
Source: Bloomberg

the middle to upper 3,000s on the Dow when it was well under 1,000. Since the crash, both have seen the market as far too risky for its potential reward and have been looking for a top that they say will usher in a bear market of the type not seen since the Great Depression. The Dow should fall back to 1,000 or less and take the economy with it, they insist. So insistent are they that their letters sometimes appear to cross the line from market theory to theology. The Jan. 4 edition of Stockmarket Cycles contained the headline: "The End Is Here!" It wasn't. Despite the errant pronouncement, Mr. Hulbert finds Mr. Prechter, whose Elliott wave theory is essentially a brand of sociology applied to financial markets, to be the more dogmatic analyst. "Eliades gives me the impression of being perfectly happy to change his mind at any time," Mr. Hulbert said. "Prechter has a longer-term forecast. He has gone on record

as saying he's going to be bearish for the next several years. Eliades doesn't venture a forecast that long term. While he might not be wildly bullish six months from now, nothing in his writing says he couldn't be." Mr. Prechter, who was not available to be interviewed, believes a turning point has been passed in which the collective human mood, after being positive, expansive and progressive for two centuries, has begun to grow cautious, gloom and reactionary. Mr. Allman ticks off a number of signs: economic contraction, xenophobia, protectionism. The markets will soon follow, they contend. Interesting philosophy, but is it good analysis? "It's important to know under what conditions you would change your mind," Mr. Hulbert said. "Anything in science can be falsified." Mr. Eliades admits to being a little unscientific himself at times, to occasionally trying to fit his data to his viewpoint, and not the other way around.

"There's a little bit of that in me... but there's less of that didactic side that says this is the way it's got to be." For now, though, he and the others maintain that a decline is all but certain. Mr. Murphy thinks the Dow has about 1,000 points to fall and could start doing it after the middle of April, when taxes are due and money stops flowing into retirement plans. For now, he said, "we're staying alive, trying not to lose too much money, waiting until the market goes down." In making such a forecast, he seems to be violating one of the analysts' commandments: Predict a price or a time, but not both. Mr. Eliades said he has done it himself. "If we made any mistake, it was that we were talking about long-term patterns and we should have given them longer to take place," he said. "Ultimately, this thing is going to break, and if market history has anything to do with it, it's going to break in a big way."

Contractors' Ground Floor?



Source: Datastream

European Contractors Build on Hopes

By Philip Crawford

HOPE springs eternal for the construction sector in Western Europe, but a few major contractors appear to have truly emerged from the recession-induced doldrums just yet. In Germany, the modernizing and rebuilding of properties in the East is helping the industry, as should the Bundesbank's apparent policy of gradually easing interest rates. In France, some analysts feel that the new rightist-dominated government will move to privatize state majority-owned companies, a policy that would benefit some major contractors. There is even a bright spot or two among construction concerns in Britain, where recession is proving perhaps the most difficult to shake. But despite the air of optimism, many analysts are remaining guarded, holding off on "buy" recommendations for all but a few of the major companies. One of the better bets, say market watchers, is Bilfinger & Berger Bau AG, which has reaped the fruits of German unification perhaps the most of major German contractors. In 1992, the company's output revenue (income from completed projects) grew 14 percent to about 6 billion Deutsche marks (\$3.75 billion), more than doubling to about 920 million marks, in the former East Germany. "It's the business in the East that has enabled contractors in the West to hold their own amid the depressed German economy," said Frank Jonschat of Kleinwort Ben-

son Securities. "B & B has been a prime example of that. I think we can expect their East German output to exceed 1 billion marks for 1993. I rate it a 'buy'." Analysts appear divided on the prospects of Hochtief AG and Strabag Bau AG, the two other premier German contractors. Hochtief had a bright year in 1992, as evidenced by a 17 percent rise in output revenue to about 7.5 billion marks. Strabag had a strong 1992 as well, with total output up by 14.7 percent to 4.6 billion marks. Some experts foresee more good news in 1993. "I have 'buy' recommendations on both Hochtief and Strabag," said Roderick Hinkel, who covers European contractors for Hoare Govett in London. "Hochtief is an extremely well-run company and it has some very interesting contracts in the Eastern region, as well as in Asia and in Greece. I like Strabag partially due to its strong group of contracts in Eastern Germany." Other analysts, however, see Hochtief and Strabag as flagging a bit. "Hochtief had a good run in January and February, and I'm now rating them a short-term 'hold,'" said Mr. Jonschat of Kleinwort Benson. "Strabag is also a 'hold,' due partially to a weaker balance sheet than the other two. Also, Strabag's Austrian subsidiary is not looking strong for '93 or '94, nor are their affiliates in Hungary and Czechoslovakia." In France, the two companies mentioned most by analysts are the state-controlled conglomerate Bouygues SA, and its separately traded subsidiary, Colas SA. Bouygues saw its output revenue drop nearly 5 percent to 61.5 billion

francs (\$11.2 billion) in 1992, but the company said recently that the year's net profit would nonetheless climb 7 percent to 680 million francs, provided no writeoff had to be made for losses on the Channel tunnel project. Bouygues is one of 10 companies working on the tunnel, whose construction has been beset by delays. "Bouygues typically derives about half its profits from contracting, and that area of its business looks pretty good," said Anita Hibbert, who tracks Bouygues for Smith New Court Securities in London. "One of their problem areas has been the property development side, where there have been some real disasters. I rate the shares a 'hold' just now, but that could be upgraded to a 'buy' soon, based on continued good prospects for the contracting sector."

third of its 1992 operating profit from its contracting subsidiary, Balfour Beatty Ltd. Like Bouygues, BICC has been plagued by the decline of the European property market and by problems with the Channel tunnel, in which it has a 10 percent interest. BICC's pretax 1992 operating profit of £120 million (\$180 million) was reduced by a £35 million charge on its London property holdings and an £8 million charge due to its involvement with TMI, the tunnel consortium. "In spite of the problems, I still rate BICC shares a 'buy,'" said Angus Blair of Baring Securities in London. "The reasons are that BICC is well-positioned for recovery, and also that it's offering an above average dividend yield." Trafalgar House Plc, another U.K. conglomerate with sizable contracting activities, is currently rated "hold" by many analysts, although some say that that rating could change in either direction in the near future. Trafalgar is currently trying to raise cash through a two-for-one rights issue, and industry sources say that the company is also attempting to sell off some of its hotel operations. "We've got it rated 'hold,' but in a sense it's really anything but that," said Jeremy Withers-Cook, who follows the company for Credit Lyonnais Securities. "For one thing, we're waiting to see how the rights issue turns out. Also, while business in general, the U.K. market is very tight and margins are low. Contracts are being canceled. Over the next few months we'll be able to see whether it's really a 'sell' or a 'buy.'"

Western aid to Russia, Japan - EC - US trade tensions, The Aids treatment controversy, Nuclear weapons in Korea... Russia... and the Ukraine. ... news events which affect all our lives. Shouldn't you be following them daily in the IHT? Subscribe 44% and save up to 44% off the newsstand price. CALL US TOLL-FREE IN FRANCE: 05 437 437 GERMANY: 0130 848585 SWITZERLAND: 155 57 57 Or send in the coupon below.

THE MONEY REPORT

IRS Makes It EZer for Expatriates

By Judith Rehak

NO ONE seems to come off the issue of Americans abroad paying U.S. taxes. The Internal Revenue Service has been severely criticized for collecting far less than its due. U.S. expatriates are often portrayed as tax dodgers living high on the hog. Well-intentioned experts are frustrated, if not defeated, by complicated filing procedures, threatening computerized notices that arrive long after their deadlines, and no easy way of obtaining information or relief when problems come up.

But the IRS has apparently concluded that more carrot than stick is the key to collecting taxes from expatriates, and getting them to file for exclusions, even when they may not owe a dime. This year, says Peg Connell, the head of international compliance, more help is on the way.

Simplified filing. You may get lucky and be able to use the new simplified 2555 EZ form. There are plenty of "ifs" to qualify, like earning less than \$70,000 annually, doing no self-employment tax, foreign tax credit, and no business or moving expenses. But it is worth looking into. More details and forms are available at U.S. embassies and consulates.

Important changes in the \$70,000 exclusion. The biggest reason expatriates do not file tax returns is not dishonesty, but misunderstanding, says Curtis Behrent, the U.S. tax partner for Europe in KPMG Peat Marwick's Paris office. "People tend to know that if they make less than \$70,000 they don't have to pay U.S. taxes, but they don't know they have to file to get the exclusion," said Mr. Behrent.

The IRS has apparently come to the same conclusion. Until now, a U.S. expatriate had to file for the \$70,000 exclusion within one year of loss. That grace period has now been extended to two years beginning with your 1991 tax re-

turn. More significantly, if you come forward voluntarily, you can now get back "lost" years of exclusion. As further proof of its change of heart, the IRS says that even if it finds you first, you may still be able to get exclusion for past years.

More assistance on the scene. Doing your taxes without professional help can be a hassle in the United States, but it becomes a nightmare for expatriates, who have to struggle with a host of foreign tax credit calculations and other complicated requirements. To lend a hand (at no cost), the IRS has a small army of advisers now circulating among embassies and consulates in 149 cities, including Katmandu and Beijing.

Easier access to information about your account. One of the biggest stumbling blocks of the past is being alleviated by technology. Now you can talk with an adviser who is hooked up electronically with your tax records in Philadelphia's international tax center.

There are three ways to do this: You can phone or visit U.S. embassies and consulates in Bonn, London, Caracas, Mexico City, Paris and Tokyo, which are already on-line with Philadelphia, and have individuals who can help with corrections, time extensions, calculating interest payments, and possibly installment payments on delinquent taxes, said Ms. Connell. (They can even tell you if and when that eagerly awaited refund check was mailed.) This service is free, and more electronic links are in the works, for Rome, Singapore and Ottawa by April 15, and Sydney and Riyadh by the end of this year.

A second way to access account information is to call the international help line in Washington, D.C. (202-874-1460), which is also hooked into the Philadelphia center. Advisers are on call from 7:00 A.M.-5:30 P.M. EST. Here, you can get help with a variety of questions and problems, and may even be able to get lost refund checks

reissued. If your problem is especially complicated, this number will refer you to an individual who specializes in cutting through red tape.

A third method of getting help is related to the infamous computerized notices. Each notice lists a phone number at the Philadelphia center where you can make inquiries. "If one of our clients gets a late notice, or they don't know what it's about, you can actually speak to someone who pulls up the file on the screen and has the authority to give you more time," said Mr. Behrent.

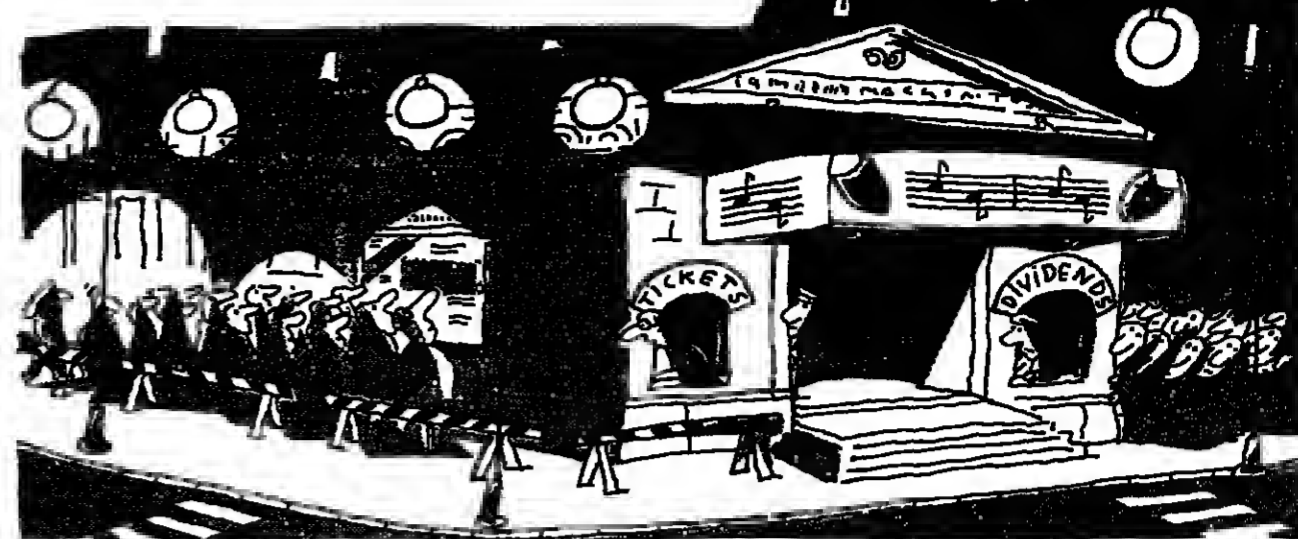
Delinquent or impecunious taxpayers. "It seems to me that the IRS is much more willing to compromise," said Sanford Goldberg, an international tax lawyer in New York. "The code used to be strictly interpreted unless you were broke and couldn't pay, or there was a question of liability." Mr. Goldberg recently negotiated a settlement for an expatriate who had not paid U.S. taxes for 15 years. "They didn't look at my client as if he was a bad person," he added. Both Mr. Goldberg and Ms. Connell stressed that it is easier to cut a deal if you come forward voluntarily.

The IRS also says it wants to make life easier for expatriates who cannot come up with the cash to pay their tax bills. This year, you can apply for installment payments up to \$25,000 by filling out a simple form to be submitted with your tax return. (Call the embassy to get the form, but beware of interest charges, which are much like credit card payments.)

Lastly, the IRS is trying to clean up its much-maligned overseas mailing procedures. At one point, nearly half the tax packages, out to mention \$1 million in refunds in 1989, failed to reach their destinations because computers printed out incomplete addresses. The computer glitches are now ironed out, and the service jets its mailing overseas within 48 hours after they are addressed. "We're up to about 90 percent delivery now," said a spokesman.

IRS Tax Assistance Visits

- BELGIUM** Brussels April 1-8
 - BRITAIN** London* France Paris*
 - GERMANY** Bonn*
 - ITALY** Milan May 18-28, Naples April 27-29 Rome* Palermo, April 20-23
 - AUSTRALIA** Sydney*
 - INDONESIA** Jakarta April 2-8
 - JAPAN** Tokyo*
 - NEW ZEALAND** Auckland April 20-21, Christchurch April 26-28, Wellington April 22-23
 - PHILIPPINES** Manila Feb. 22-April 15
 - SINGAPORE** Singapore*
 - EGYPT** Cairo May 9-11
 - KUWAIT** Kuwait City May 2-4
- * Assistance available throughout the tax filing period at these permanent IRS overseas office locations.



London Angels Find Heaven in Musicals

By Aline Sullivan

THE London premiere in June of a new Andrew Lloyd Webber musical, "Sunset Boulevard," will be a nail-biting occasion, not only for the composer himself, but for any private investors who help back the production. Investing in British theater, never an enthusiasm of the faint-hearted, looks doubly dangerous in these recessionary times.

The returns can be huge, however. According to Nick Allot, a director at Cameron Mackintosh, the London-based theatrical producer of "Cats" and several other Lloyd Webber musicals, the 500 or so private investors who financed "Cats" have received returns on their original investment of about 200 percent a year since the production opened in May, 1981.

Most investors in theatrical productions will only break even, although the chances of making money are higher if they concentrate on musicals.

Musicals have become the industry's lifeblood. A report published on March 2 by the London-based Policy Studies Institute (PSI) found that attendance at plays in the West End theater district is up 25 percent from 10 years ago, despite a rise in ticket prices of more than double the rate of inflation. Excluding musicals, however, attendance dropped 25 percent over the same period.

At least partly for pleasure, use their money to help aspiring producers as well as veterans of the theater world. One way of investing in this manner is to contact the Society of West End Theater, which maintains a list of potential investors for the use of West End and provincial theater managers.

Eddie Jones, a retired London bookmaker, has been investing in West End productions since 1961. "For the first 20 years I lost money," he said. "But I didn't mind because I felt involved in the production: I went to parties and worried about the reviews."

The potential for private investment in the Really Useful Group diminished after the shares stopped trading. However, there is still considerable potential for interested individuals, said Keith Turner, legal adviser to the company.

"When the company was public, financial advisers in the City felt that it wasn't attractive to the shareholders to use their funds for productions," said Mr. Turner. "Now we spend our own money, but also seek out finance for productions from time to time. People can write in saying that they are interested in investing."

EC Nears Agreement on Measures to Protect Small Investors

By Aline Sullivan

CONFIDENCE, currently a scarce commodity among European investors, is likely to receive a boost on April 19, when European Community finance ministers are expected to reach an agreement on bank deposit guarantees and investor compensation.

EC Commission officials hope that Community-wide rules for deposit protection and for compensation if an investment firm collapses will encourage cross-border investment by small investors. Some observers are less optimistic, saying that government guarantees will only encourage bad lending and dubious investment practices.

Existing regulations vary widely in the EC. The British and Irish governments provide relatively high levels of compensation for investors in the event of an investment firm's collapse, although the

amounts are scant by U.S. standards. In Denmark, Spain and Portugal, there is no national legislation.

Deposit guarantees for bank customers also differ. Some member

new rules are being developed to apply investor protection legislation of an investment firm's home country to all its clients, both at home and in other member states. Countries that have no investor

securities and stock exchange division of the EC Commission and a member of the team working on investor protection legislation, said he expects more cross-border investment as a result of the Investment Services Directive and new rules on deposit and investor protection.

"Member states want to see an investment protection directive in place," said Mr. Beverley. "Most members have legislation in place already but this should have a role in improving investor confidence in European markets."

In sharp contrast, James Cornish, German market strategist at County NatWest Securities in London, argues that deposit protection guarantees may end up diminishing, rather than encouraging, investor confidence.

"It is bad for the investor and bad for the banking system to have a system of deposit protection because it encourages some banks to lead in a riskier fashion," said Mr.

Cornish. "Look at the U.S. savings and loans industry." The problems of the U.S. savings and loans and the resulting exposure of the U.S. government through its federal deposit insurance arrangements have been well documented. "The whole collapse might never have happened if the depositors had been guaranteed that the depositors would get their money back," said Mr. Cornish.

The issue becomes all the more complicated when investments made by an individual in one country are handled by a firm based in another country. If the investment firm's home state has no investor protection program, the foreign investor may not be able to obtain compensation, even if the investor's own country possesses such a plan.

In the absence of an investor protection plan, whether publicly or privately managed, the people who have entrusted money to an investment company that files for bankruptcy must wait in line like all the company's other creditors. It may take months or even years for them to recover any of their money.

A Europe-wide network of investor protection plans would offer them prompt compensation. The minimum level of compensation that such plans should offer is still a matter for debate. But it is unlikely to be lower than the 15,000 Ecu recommended by the Commission in its proposal on bank depositor protection.

The main aim of such an agreement, which would probably have to be enshrined in an EC directive, would be to protect the smaller private investors. It is not yet clear whether bigger, institutional investors would be entitled to claim.

The collapse of banks or investment firms in the EC is rare and EC officials expected the incidence to decrease as capital adequacy and other regulations are tightened. "These new rules were conceived of

Some observers say that government guarantees will only encourage bad lending and dubious investment practices.

states provide virtually no protection for depositors in a failed bank. Others, notably Germany and Italy, provide high levels of compensation through either the public or private sector.

Both issues are being tackled by the EC Commission. Following the Investment Services Directive, which was agreed on in November by EC finance ministers and is expected to take effect in 1996, the

protection legislation at present would be encouraged to enact it. A separate proposal will set a 15,000 Ecu (\$18,000) minimum level of deposit protection for bank customers across the EC. This is the more controversial piece of legislation. Germany, which has a generous private system of deposit guarantees, sees the proposed changes as unnecessary.

Alan Beverley, an official at the

BRIEFCASE

Vanguard Drops a Fund Fee But Adds Redemption Charge

Fees are coming and going for shareholders of Vanguard mutual funds. Vanguard announced that it was waiving the custodial fee of \$10 per fund for holders of retirement accounts with total assets above \$50,000.

The company at the same time said it was imposing a redemption fee of 1 percent on its High-Yield Corporate Portfolio. The fee, which applies to shares exchanged into other Vanguard funds, as well as those sold for cash, will only be imposed for shares held less than one year. Investors who own shares in the junk bond fund before March 31 will not be subject to the new charge.

The fee, Vanguard said in a statement, "is designed to discourage the excessive transaction activity of short-term investors and will be paid to the portfolio to offset such transaction costs that may occur."

Most other funds use sales and redemption charges to enrich brokers who peddle the funds or the managers themselves, so shareholders in this fund will get a better shake. Still, given Vanguard's reputation as a pure no-load fund family, which is generally coveted and, most agree, it has deserved, the redemption charge is an ominous development.

The statement added that as of April 20, check-writing services for holders of the fund will be discontinued.

U.S. Mutual Funds Register Dip in Monthly Cash Flow

Cash flow into American mutual funds subsided in February, while net sales of British unit trusts had their second-best showing in more than five years during the same month, according to figures compiled by industry groups in the two countries.

U.S. Poll Shows the Young Boost Retirement Savings

Young Americans don't think Social Security is all that secure. In a survey done by the Gallup organization, 74 percent of those responding, including four out of five who were under 40 years old, said they were willing to cut back on personal spending to save more for retirement.

More than three-fifths of respondents said they would like to put away at least \$1,000 a year more for retirement, including nearly half who listed a figure from \$2,000 to \$5,000. Some of them are actually putting their strategy into practice; just over a third of those surveyed said they were setting aside more money for their retirement this year than last.

The heightened emphasis on savings reflects a growing lack of faith in the government-run retirement system. Seventy percent of the 1,000 people who answered the telephone survey, which was done for the fund company Fidelity Investments, agreed

Newsletter-Touted Stocks Perform Well, Survey Finds

Do stocks recommended most by advisory services outperform the market? The services will be happy to know that they do, but just barely, according to one study.

The Halbert Financial Digest, a newsletter that follows the performance of advisory letters, tracked the prices of those stocks recommended by the most newsletters in each month since November, 1980. One month out, the average price of the most frequently touted stocks rose by 1.21 percent, compared with 1.16 percent for the broad-based Wilshire 5,000 Index.

The narrow outperformance continued for a full year, the Halbert study found, with gains of 16.37 percent for the stocks versus 15.72 percent for the Wilshire.

The result was a surprise to Mark Halbert, the editor. "I would have guessed just the opposite," he writes, "because the consistent finding of academic research... is that the most popular stocks underperform the most neglected ones."

One possible reason for the discrepancy, he says, is that in other studies, a popular stock is defined as one owned by many institutional money managers. Those stocks are likely to have already had a run-up in price from the weight of that institutional buying.

BOLTON STUDIOS

Special corporate rates are available upon request.

Please contact:
Lisa Melfasocle
Knightsbridge Estates and Services Ltd
10 Kensington Square, London W8 5EP
Tel: 44 71 937 4376 Fax: 44 71 938 2340

New from Lombard

THE Classic 90 account

A new account designed specially to provide all the benefits you could want for your savings.

HIGHER RATES OF INTEREST

FOUR LEVELS OF HIGH INTEREST - The more you put in the higher the rate of interest your money will earn. As your balance increases so will your interest.

ACCOUNT BALANCE	GROSS RATE	C.A.R.*
\$5,000 - \$9,999	6.50%	6.66%
\$10,000 - \$24,999	6.625%	6.79%
\$25,000 - \$49,999	6.75%	6.92%
\$50,000+	6.875%	7.05%

SPECIAL INSTANT ACCESS

Our special instant access facility allows you to make one withdrawal each year of up to 10% of your balance without giving notice and without incurring a penalty. You are not limited to the one penalty free withdrawal - you can make other withdrawals without penalty simply by giving 90 days notice.

CONFIDENTIALITY

You have Lombard's assurance that your Classic 90 account will be operated in complete confidence.

Gross rates shown: no deduction of basic rate tax and are correct as at the time of going to press, but may vary. Details of our current rates will be sent on request.

Registered in England No. 337004
Registered Office: Lombard House, 3 Princes Way, Redhill, Surrey RH1 1NP, England

DEPOSIT ACCOUNTS

To: Stephen Carter, Lombard North Central Plc, Broking Services Department 1425, 30th Cannon Street, London W1A 1LW, England.
Please use this coupon to apply for a copy of our Classic 90 brochure. (PLEASE WRITE IN CAPITALS)

NAME (Mr./Mrs./Miss/Ms) _____
ADDRESS _____
ADDRESS _____

A member of the Lombard Westminister Bank group whose capital and reserves exceed £1,000,000,000.

Now! No. 1 Account open for new clients

D.kr.: 10.25%* No. 1 for interest

ECU: 8.50%*

DEM: 7.50%*

* (per March 1993)

You get very high interest, increasing with the level of your deposit. Interest is added each month, giving you a high annual return. Achieve this high interest rate by depositing D.kr. 250,000 or its equivalent (approx. USD 40,000).

No. 1 for flexibility

You have free access to your money - including VISA world-wide. Select and switch between 15 currencies, as often as you wish. A good opportunity to invest in the changing currency interest rates world-wide.

No. 1 with Jyske Bank

Be a valued No. 1 client with Jyske Bank. The well-established Danish bank, with respected personal advisors, banking secrecy and no account maintenance fees. Get the application form and easy-to-deposit guide.

No. 1 in response Get the application material. Fill in the coupon or call us.

Name (Mr./Mrs/Ms) _____
Address _____
Postal code _____ City _____
Country _____ Tel. no. _____

Jyske Bank • Private Banking (Pvt.)
Vesterbrogade 6 • DK-1780 Copenhagen V
Tel.: +45 31 21 22 22 • Fax: +45 31 21 42 05

SPORTS BASKETBALL

One 'Expert's' Final Four Theory

Tar Heels and Wildcats Win on Rebounds and Turnovers

By John Feinstein
Washington Post Service

NEW ORLEANS — This is the Final Four, where everyone has a theory.

All the so-called experts are hedging. "If Kentucky shoots the ball, if Michigan comes to play; if North Carolina dominates on the boards; if Kansas gets brilliant play from its guards," and so on.

There's no clear-cut favorite because there are no great teams. Each team has clearly definable strengths and weaknesses and the question is which team will best use its strengths.

When all the theorizing is done, winning comes down to two simple statistics: rebounds and turnovers. You can always make the case that if one team shoots 79 percent (Villanova, 1985) or another shoots 9 percent for an entire half (Kentucky, 1984), those numbers will have direct bearing on the outcome. More often, Final Four teams will shoot somewhere between 38 and 53 percent. The question, then, is who gets the most shots. And that is where turnovers and rebounding become critical.

Game One is the mirror matchup: North Carolina vs. Kansas. Dean Smith vs. Roy Williams; Coach vs. Pupil. Both teams have size and depth and outstanding guards. Both are experienced and each has players who have been through this before (1991), when the two schools met in the famous semifinal in which Smith got himself tossed by the referee with 38 seconds to go in the Jayhawks' victory.

Smith will be around for the finish this time and he should also be around Monday night. Here's why: Kansas is one of the few teams that has the size to match up with Carolina inside. In 6-10 (2.08-meter) Eric Pannley and 7-2 Greg Ostertag, the Jayhawks have two players who are at least physically comparable to 7-foot Eric Montross and 7-foot Kevin Salvadori. Neither is anywhere close to Montross as a player but at least they can use all of their 10 fouls and bang Montross around in the process.

The point-guard matchup should also be a wash since both are brilliant. Adonis Jordan of Kansas is a better scorer than Derrick Phelps of North Carolina but Phelps is a better defender and should keep Jordan from running amok. The shooting guards are both mercurial. Don-

ald Williams of the Tar Heels and Rex Walters of Kansas.

The difference in the teams may come down to one player: George Lynch. For once, this is a Carolina senior who doesn't need the usual El Deano hype. The best word to describe Lynch is warrior. He is not a great shooter, doesn't overwhelm anyone with his strength or his speed but he figures out how to win. Whenever the Tar Heels really need a rebound or a steal, Lynch seems to be the guy who gets it. Kansas doesn't have anyone with such a portfolio.

Can Kansas win? Absolutely. If Williams has

years and has won a national title, but nobody thinks he can coach.

Now, matched with Rick Pitino, he has a chance to quiet some of the nay-sayers. Here's what Fisher needs to do: although he should start his defensive stopper, Ray Jackson on Mashburn, he needs to rotate defenders onto Mashburn throughout the game. Williams did that effectively to Calbert Cheaney against Indiana, using four different Jayhawks on him, and Fisher would be well-advised to do the same to Mashburn.

As for 5-9 Travis Ford, the point guard/3-point machine, Fisher should take just the opposite approach. Jimmy King should be told to begin guarding him during warmups and not stop until the Kentucky bus pulls away from the Superdome. Mark this down: Jalen Rose can't guard Ford. Rose doesn't do defense. The next time he fights through a screen will be the first, and the Wildcats screen constantly for Ford. King has the mentality to guard Ford and Fisher would be well-advised to take a look at what Derrick Phelps did to Nick Van Exel last Sunday: when Smith told him to forget the rest of the game and just guard the streak-shooting Cincinnati guard.

Played straight up, Mashburn and Ford will dominate Michigan the way they have dominated everyone else in the tournament. Fisher has the difficult task of convincing the Wolverines that they must adjust to an opponent of comparable talent. If he does that, Michigan can win the game, as long as the other guys remember to guard Jared Prickett and Dale Brown and Rodney Rhoades. If those guys beat you, fine; you can take your ball and go home. But you can't allow Mashburn and Ford to beat you because you were too stubborn to give them the special attention they deserve.

Fisher will push the right buttons because he is, in fact, a good coach. So too is Pitino, though not as good as he believes or as his disciples believe, simply because no one has ever been that good. Kentucky will win because Michigan will turn the ball over too many times against the Wildcats' trap and because you can't learn to box out in a week and the Wolverines haven't boxed out all year.

Turnovers and rebounds will decide. North Carolina and Kentucky will win.

There's no clear-cut favorite because there are no great teams. Each has clearly definable strengths and weaknesses; the question is which team will best use its strengths.

an off day shooting the ball or if Montross gets into foul trouble, the Tar Heels are vulnerable.

The second game involves two teams as striking in their contrasts as the teams in the first are similar. Kentucky is everyone's favorite right now, having swept through the Southeast Region. It seems as if the Wildcats haven't missed a 3-point shot since January, and Jamal Mashburn looks more and more like the No. 1 pick in the National Basketball Association draft.

The dominating play of the Wildcats puts Michigan's Fah Five into a role they are decidedly unfamiliar with: underdog. And with good reason. The Wolverines haven't played a solid 40 minutes yet. The fact they are here is a tribute to their extraordinary ability.

They aren't likely to be foolish enough to show up Saturday expecting a stroll to the final. But they are going to have to do something they aren't accustomed to if they are to have a chance in this game: listen to their coach, Steve Fisher. He has been to three Final Fours in five



Trapped by New York's Patrick Ewing and John Starks, the Cavaliers' Gerald Wilkins searched for help. Ewing had 30 points and 12 rebounds as the Knicks won their 15th straight at home.

Ex-Mobster Cites Rise in Gang Links To Boxing

Compiled by Our Staff From Dispatches
WASHINGTON — Organized-crime leaders are hungry to share in the earnings of successful prize fighters, and that is drawing them deeper into boxing, according to the former under boss of New York's Gambino mob family.

"The money is in purses, not in betting," Salvatore (Sammy the Bull) Gravano said at a hearing on boxing corruption held by the Senate Permanent Subcommittee on Investigations.

"Because the size of purses has gotten so big," Gravano added, "organized crime is more and more interested in getting back into it."

Gravano, 47, once the No. 2 man in the Gambino family, is now a federal prisoner and government informant. He helped federal prosecutors convict John Gotti, boss of the Gambino family.

The hearing Thursday was the fourth in a series that began in August, two months after Senator William V. Roth Jr., Republican of Delaware, introduced legislation that would create a federal boxing commission to develop uniform minimum standards for the sport. How, Gravano was asked, could the government discourage organized crime from getting involved in boxing?

"Make the purses very small," he replied.

What would organized crime do about a fighter who tried to walk away from his mob handlers?

"Traditionally, we give them a hard time," he said. "We're really fond of walking away."

Gravano said that Alfred Cerrosimo, who under the name Al Cerro manages the former WBC welterweight champion James (Buddy) McGirt, was a Gambino associate. McGirt lost his title on March 6 to Pernell Whitaker.

Cerro angrily denied the charge when he testified later.

"He's the gangster here," Cerro said of Gravano. "He's the one who knows everything. I've never seen this guy around boxing in my life." "Gambino, gambino," he yelled. "I've never heard of these guys."

But Cerro said that Stuart Weiner, McGirt's co-manager, had introduced him to Joseph (Jo Jo) Corozzo, identified by law enforcement officials as a "Gambino soldier."

Weiner, also called to testify, invoked his Fifth Amendment protection against self-incrimination six times in declining to answer questions about his alleged mob ties.

McGirt said he knew nothing about allegations that his handlers were involved with organized crime.

In a statement, the subcommittee reported that organized crime figures were associated with at least two other prominent boxers: Bobby Cruz, the WBA cruiserweight champion, and Iran Barkley, the former IBF super-middleweight champion. (AP, WP)

Rick Pitino's Run-and-Fun NCAA Show

By Thomas George
New York Times Service

LEXINGTON, Kentucky — Rick Pitino remembers playing point guard for St. Dominic's High School in Oyster Bay, New York, in the late 1960s in a different style of game in a different time. Pitino recalled that players there did not ask their coaches why they simply did as they were told.

And Pitino described that style of methodical basketball in two words: frustrating, boring.

"Believe me, I learned the fundamentals of the game and got a solid start in basketball back then, but I knew that as the point guard, shooting was pretty much out of the question," said Pitino, now coach of the Kentucky Wildcats team that opposes Michigan on Saturday night in the National Collegiate Athletic Association tournament semifinals.

"The point guard was the passer, the distributor, and if I got 4 points I would be lucky," he added. "I got my first coaching job when I was 24 at Boston University, and at that age how much experience could you have? But one thing I knew: I wanted to play the game the way the players wanted to play it, to make it fun. To me that meant up and down, full court."

As a head coach, he took that style to Providence, the New York Knicks and then Kentucky.

In its quest to reach Monday night's championship game, Kentucky will pressure Michigan baseline to baseline, sideline to sideline and hope that the Wolverines' turnovers flow. This Kentucky team is a throwback to the Georgetown team of Patrick Ewing, which used to play the game for 40 minutes with constant, full-court defensive pressure. Fewer college teams employ that tactic extensively in today's game, and Kentucky is the only Final Four team that will play it for 40 minutes.

Most teams do not have the depth to use full-court pressure so frequently; others do not have the discipline and others do not have the conditioning to endure.

Kentucky has mastered each of those traits.

"There is no such thing as getting tired on this team," said the Wildcats' sophomore center, Andre Riddick. "You just go till you drop, and then you go some more."

"We love it," guard Travis Ford said. "It's something that creates havoc for other teams. And it always keeps us active and on our toes."

It also keeps opponents on their heels.

In 33 games this season, the Kentucky offense has committed 325 turnovers and its defense has forced 604. That is not such good news for Michigan, which in 34 games has committed 531 turnovers and forced 498.

"I like the full-court pressure because it creates a lot of offense for the players," Pitino said. "Georgetown in the mid-'80s was the master of the full-court press. You see the Chicago Bulls in the NBA use it well. And I have not seen a team that used a half-court, high trap better than Cincinnati did this year."

"We have three different types of full-court pressure and we use them all throughout the course of a game," he added. "At half time, we look to see which one is working best and seek to improve the others."

Pitino said that earlier in the season his team practiced regularly for three hours, but now sessions last about an hour and a half. He said that ensured his team entered this tournament with fresh legs.

Kentucky plays on offense much as it does on defense, tossing caution to the wind and tossing 3-point shots with regularity. Kentucky is vibrant. It plays with no fear. And Pitino said his shooters were so

good — especially off turnovers — that it does not matter that they will be playing the Final Four in the spacious Superdome.

"They are such phenomenal shooters," he said, "that they could shoot well in a game played outside in a fierce wind."

Kentucky has won its four tournament games by an average of 31 points, and its full-court pressure and frenetic pace is one reason why. Pitino said his team was not trying to manage its success but rather only wanted to embrace it. He said he believed that he understood the key to '90s kids — they want explanations of why, and they want to run and run and run.

"Michigan has not been able to play that way in the tournament because teams would not let them," Pitino said. "They will have their chance for a transition game against us. George Washington used full-court pressure and trapped them pretty good. It remains to be seen how we can do. Somebody said we should win by 157. I don't know how you can say that. They played one of the toughest schedules in the country and have yet to be blown out. I don't think either team enters with fear over anything."

No O'Neal, No Playoffs for Magic

The Associated Press

Shaquille O'Neal's ill-advised punch has helped knock the Orlando Magic out of the eighth playoff spot in the Eastern Conference.

The rookie center served a one-game suspension on Thursday night as Orlando was at home to Charlotte, and the Hornets took advantage of the absence of an intimidator for a 102-93 victory.

The Magic (33-35) dropped a half-game behind Indiana (34-33) for the eighth and final spot.

"With Shaquille or without Shaquille, we came out ready to play," said Hornets guard Muggsy Bogues. "We knew this was a big game."

O'Neal was suspended Wednesday for fighting with Detroit's Alvin Robertson on Tuesday night.

With backups Greg Kite and Brian Williams defending him, Charlotte center Alonzo Mourning had 30 points, nine rebounds and three blocked shots.

Orlando particularly felt O'Neal's absence on the defensive end as the Hornets drove the

lane without fear of having their shots blocked.

Mourning made 13 of 21 shots from the field, while Larry Johnson had 22 points and 15 rebounds.

NBA HIGHLIGHTS

bounds for Charlotte. The Hornets made 17 of 20 free throws in the fourth quarter.

Knicks 91, Cavaliers 83: New York (49-20) opened a one game lead over Chicago (48-21) in the race for the homecourt advantage through the Eastern Conference playoffs.

The Knicks held the Cavaliers to their second straight poor offensive performance in winning their 15th straight at home. They held Cleveland to 42.5 percent from the floor and a season-low 32 first-half points.

Cleveland's leading scorers, Mark Price and Brad Daugherty, were held to 10 points each.

Patrick Ewing led New York with 30 points and 12 rebounds, while John Starks added 22 points and 11 assists.

Nets 95, Heat 85: In East

Rutherford, New Jersey, Chris Morris scored all 15 of his points in the second quarter as New Jersey turned a 2-point lead into a 59-43 margin at intermission.

Derreck Coleman had 21 points and 10 rebounds for New Jersey, whose bench outscored the Heat, 49-17.

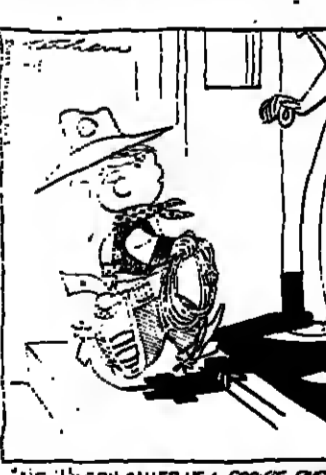
Rockets 121, Bucks 115: In Houston, the Rockets got seven free throws from Vernon Maxwell in the final four minutes to hold off the Bucks.

Hakeem Ojajuwon scored 24 points and Maxwell had 21 as the Rockets increased their lead over San Antonio to 1½ games in the Midwest Division.

Kings 117, Bullets 97: In Washington, Spud Webb scored 18 of his game-high 27 points in the second half as Sacramento won its first road game in more than a month.

"This is a great win for us," Sacramento's coach, Gerry St. Jean, said. "Both teams were undermanned tonight, but it was still a good win, a great road win for us, because we have been struggling lately."

DENNIS THE MENACE



"THE WILSON CALLED ME A COOKIE FIGHTER. HE KICKED ME OFF HIS SPREAD!"

JUMBLE

Match the letters to form words. Use the clues to help you. Write the words in the spaces provided.

- TANGE
- GEALL
- INOLEY
- LIMFAY

Print answers here: _____

Answers: TANGE, GEALL, INOLEY, LIMFAY

Print answers here: _____

Answers: TANGE, GEALL, INOLEY, LIMFAY

To see readers in Switzerland it's never been easier to subscribe and save.

Just contact us at our Zurich office. Phone: (01) 481 7200 Fax: (01) 481 8288

PEANUTS



BLONDIE



BEETLE BAILEY



DOONESBURY



CALVIN AND HOBBES



WIZARD OF ID



REX MORGAN



GARFIELD



DAVE BARRY

The Accordion Crisis

MIAMI — In these days of rising taxes, job insecurity and soaring medical costs, more and more Americans are asking themselves a chilling question: "What happens if, God forbid, I have to get my accordion repaired?"

This is certainly on my mind. I own an accordion. I used to own two of them. I bought them years ago at an auction for \$25, which worked out to \$12.50 per accordion, which struck me as an unbelievable deal.

I like my accordion, although it is not in the best of shape, a fact that has me deeply concerned, in light of an article from the Winona (Minnesota) Daily News. It states that the board of Red Wing/Winona Technical College has voted to eliminate, because of low enrollment, the college's accordion repair program.

I can't believe we would let this happen. We're talking about a vital part of our nation's history, dating back to the early 1800s, when each generation would seek to pass the secrets of accordion repair on to the next.

FATHER: Son, it's time for me to pass along the secrets of accordion repair.

SON: I'm moving to Utah. That's right. Without accordion repair, Westward Expansion might never have occurred. And let's not forget the critical role that an unrepented accordion played at the Battle of Gettysburg ("Have the accordion player sound the charge!")

"He can't, sir! He took a bullet in the bellows during 'Lady of Spain!' " "Good!"

Knight-Ridder Newspapers

Still Selling Sex: The Cosmo Girl at 71

By Alex Witchel New York Times Service

BOCA RATON, Florida — Helen Gurley Brown is a wreck. Her flight from Atlanta is late and now, at 7 P.M., she is just arriving in Boca Raton, Florida, for the start of a full schedule at 7:30 P.M. to promote her new book, "The Late Show: A Survival Plan for Women Over 50" (William Morrow).

Actually, Brown is 71, and none too happy about it, thank you, having made her reputation as "that Cosmo girl," the sexy embodiment of Cosmopolitan magazine, which she has edited since 1965.

But alas, the Cosmo girl's new advertising agency recently promoted her to the Cosmo young woman. Like it or not, the rest of the world is growing up, and books on subjects like menopause are hitting the best-seller lists and staying. But don't even mention the word menopause to Brown because she says that with the high doses of estrogen she takes, and recommends, she never experienced its side effects.

She's much more focused on what women can do to feel younger (sex, cosmetic surgery and more sex), picking up where her last best-selling advice book, "Having It All" (1982), left off. She's on a back-breaking book tour, visiting 10 cities in 14 days. In the Miami area, she has a ready-made audience, and she knows it.

She practically runs off the plane, remarkably energetic. Thin to the point of emaciation (5-foot-4, 100 pounds) she seems swamped by her black suede coat. It is now 7:10 P.M. and a huge rainstorm has hit. Brown's first stop, Liberties, a bookstore here, is almost an hour from the airport. It is clear that she wants to get there pronto, but the direct approach is not Brown's; she never wants anyone to stop liking her.

She enters 500 popularity contests a day and is desolate if she loses even one. So she breathlessly informs her escort: "I just love manual driving." The car takes off like a shot. In the back seat, Brown wastes no time. "This book took six years to write because I could only work weekends and vacations," she says. "The New York Times Book Review gave me what is considered a good review, but it called me savvy and silly."

Her voice rises to a petulant high pitch. "I don't think I'm silly," she says. Brown is the first to credit rampant insecurity as the motivating force of her life. She coined the term "mousseburger" to describe herself, as a plain-looking person of ordinary intelligence who must work relentlessly to improve her appearance and succeed professionally.

In her books she exposes every fear, no matter how personal, and dwells on every tiny detail (tattooing her eyebrows, torturing her thin hair to an always elusive fullness, which endears her to women everywhere while begging the question of how her 77-year-old husband, the movie producer David Brown, can tolerate a level of self-absorption more common to adolescents).

Quite well, apparently. Their marriage has lasted 34 years, and Brown is secure enough to recommend in "The Late Show" that older women take a fresh look at their friends' husbands as potential lovers. "Husbands are a source of supply," she says calmly. "I never feel guilty about the wife, if she can't keep him at home."

Here's the Helen Gurley Brown her readers know and love. Let's get down to basics. What do older men want in bed? "They really want to be 25, to be admired and encouraged," Brown says. "They want to make you happy, too, as a sign of their success and virility. And you would have to know to take some time."

What do older women want in bed? "I think many women don't want sex at all," she says. "By a certain age they have such a sigh of relief to be done with it. "My own philosophy is if you're not having sex you're finished. It separates the girls from the old people. When older women do have sex, they're not going for multiple orgasms anymore, but the intimacy, the touch, the experience to be body to body with someone. Which is even truer for me. The intimacy of being with another person keeps you alive, if not young. And it doesn't have to be all the time. If, say, it's been four months, call an old lover, an ex-husband, somebody."

Brown endorses cosmetic surgery as a confidence builder and acknowledges hav-



Helen Gurley Brown in 1962 promoting "Sex and the Single Girl"; at bookstore in Florida promoting "The Late Show."



Clady Karp for The New York Times

ing had a face lift, eye lift, nose job and silicone injections in her face. (In "The Late Show" one helpful hint to minimize wrinkles is to apply a blend of moisturizer and Preparation H.)

Exercise is mandatory. "Letting your body get sloppy is inexcusable," she says. The car pulls up to Liberties at 7:55 P.M. "I see two-and-a-half people in the bookstore," Brown warbles.

Sixty is more like it, mostly older women. Brown rushes to them, ignoring the king-size leather chair and desk set up for the signing. "Oh, hello," she coos, reaching out, touching arms. "This dumb airplane was late and I thought you would all think I was just being careless."

"No! No!" they shout back. They love her, they really love her. She ignores the chair and perches on the table, staying close.

Many of these women hold armoils of books for their friends. Brown has moved them and they are eager to share her ideas, discuss them, get results. The faces that approach her are warm and grateful. "You taught me everything I know," "Just keep on writing, don't stop," "You've been a great inspiration to me."

One woman carries a shopping bag. "I don't know if this will embarrass you," she says, presenting Brown with a skinny pair of baby panties. "But could you sign the backside of these 'To Charlie: Small pleasures?' " Everyone squeals as Brown complies.

By 9 P.M., the store has sold 138 autographed copies. Brown gets back into the car headed for a radio show in Miami. "I'm always flab-

bergested when people say I am changing their lives," she says, applying more lipstick. "I'm not being phony. I believe everyone can do what I do. I just worked my guts out since I was 18."

Which is when Brown took the first of 17 secretarial jobs on her long trek out of Green Forest, Arkansas, where she was born the second daughter of schoolteachers. Her father was killed in an elevator accident when she was 10, her sister was stricken with polio, and her family was so poor during the Depression that when Helen needed root canal, she offered to skip the Novocain if she could get a discount. (She couldn't.)

Brown became an instant celebrity with the 1962 best seller, "Sex and the Single Girl" (B. Geis Associates), which introduced the revolutionary concept that single women had as much right to recreational sex as their male counterparts. She later took over Cosmopolitan and its 27 foreign editions, which she continues to supervise.

Today, she and her husband, who most recently produced the film "A Few Good Men," live in Manhattan on Central Park West with no children, which is exactly how Brown likes it. (Mr. Brown has a son by a previous marriage, but Brown's distaste for motherhood is legend.)

So why is she still so insecure? She says that no one at Hearst Corp., which publishes Cosmo, will force her to retire, and when she does it will be her own choice. Can't she feel any satisfaction at what she has earned? "Now I'm afraid that it will all go away and I will be an old crane," she says. "After I leave Cosmo I'm curious who will have lunch with me."

PEOPLE

Another Presley Fights For Less Livelight

The price of fame: The daughter of Elvis Presley has won a High Court judgment against two Americans who wrote articles describing her as a "sex menace" in Britain's Sunday Mirror in 1990. Lisa Marie Presley Keough, 25, and her husband David Keuff and Tracey Courtney for libel. The articles quoted Keuff as saying Lisa Marie had turned her life into a nightmare by bounding him with demands for sex.

Miles Forman, the Oscar-winning filmmaker, is joining 26 Czech filmmakers in an ambitious project to modernize Fragne's Barrandov studios. Forman made his debut at the studios in the 1960s. They were built by the family of President Vachek Havrel before World War II.

With considerable emotion and fond remembrances of 11 years, the cast of NBC's "Cheers" shot the 274th and final regular episode of the longest-running comedy on American television. A final scene is to be taped in secret later, and the 30-minute episode is to be shown May 20. The producers say President Bill Clinton has expressed interest in making a cameo appearance if it fits into his schedule. Shades of Gerald Ford?

Curtis Chapman walked away with six awards from the Grand Music Awards, including one of the year, on the strength of his "Great Adventure" album.

Bill Wyman, the 56-year-old former bass player for the Rolling Stones, is "absolutely spinning with rage" over the wedding plans of his son, Stephen, 30, and his former mother-in-law, Patsy Stone, 46, a British newspaper editor, quibbling an unidentified Wyman aide. It also quoted the bride-to-be as saying: "I've made no secret of the fact I don't like Bill — or Nimbo Bill as I call him. But Stephen is different. Smith is the mother of 27-year-old Mandy Smith, whom Wyman divorced last year.

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 17

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Oceania, with temperature and precipitation data for various regions.

TITLE SEARCH By Tap Osborn

Crossword puzzle grid with clues for Across and Down words. Includes a list of clues such as '1 Risky N.Y.S.E. activity' and '73 Hindu hooch'.

BOOKS

JAPANESE BY SPRING By Ishmael Reed. 225 pages. \$20. Athenum. Reviewed by Kevin Brown. FOR certain readers concerned with the life of language and of the art of the novel, Ishmael Reed is something of an exemplar among the previous generation of African-American writers. Poet, critic, novelist and playwright, Reed was associated with the Black Aesthetic Movement during the '60s and '70s.

Speed up the approval process.

AT&T USADirect Service advertisement. Just dial the access number of the country you're in. For additional access numbers, call collect: 412 553-7458, Ext. 606.

Vertical advertisement on the right edge of the page, partially cut off, featuring text like 'Use of Fo...', 'When a...', 'A Cand...', and 'Anti-Indian P...'.